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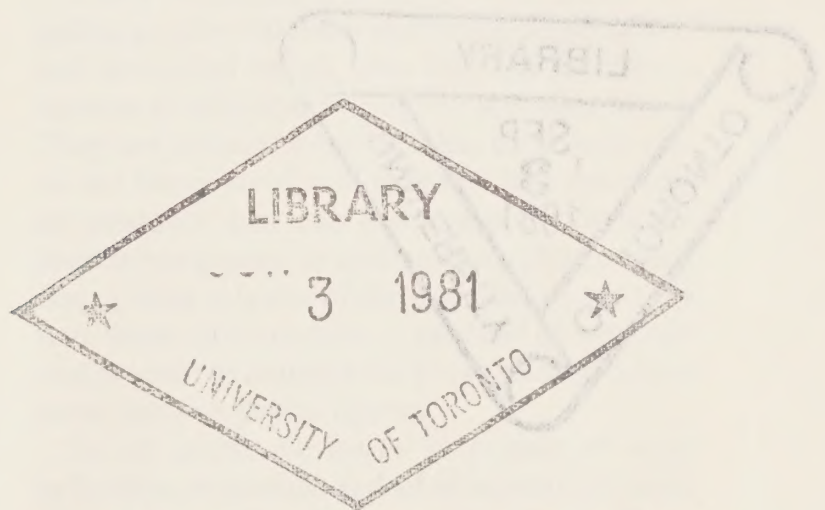


Ontario, LEGISLATIVE ASSEMBLY

No. 19

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Thursday, May 14, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

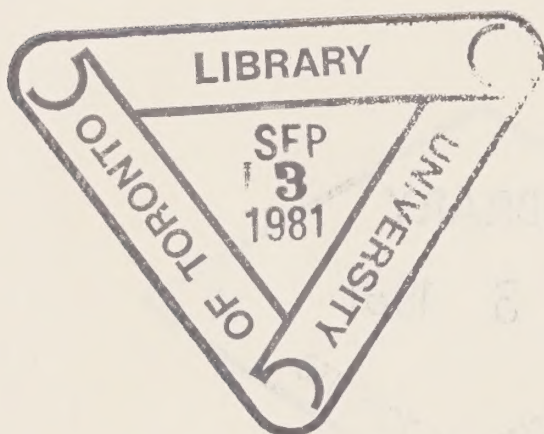




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# LEGISLATURE OF ONTARIO

Thursday, May 14, 1981

The House met at 2 p.m.

Prayers.

## POPE JOHN PAUL II

**Hon. Mr. Wells:** Mr. Speaker, a number of members of this House have just come from St. Michael's Cathedral where there was an ecumenical service of thanksgiving and prayers for the speedy recovery of Pope John Paul II. I am sure the members of this House and the people of Ontario would like us to take note of this very tragic event.

When we heard of the tragic shooting of the Holy Father in St. Peter's Square yesterday, I am sure we all were saddened and were again struck by the amount of needless violence that exists in the world. He is a man who is dedicated to reconciliation. He is a man who has preached peace; but not just from a pulpit in a church in Rome, he has actually gone around the world to preach peace in those areas where he felt it was most needed. Pope John Paul II is also dedicated to human betterment. Suddenly we saw this man of peace, with all these qualities, struck down by a violent act.

I do not know if many of my colleagues have attended services in St. Peter's Basilica, but one of the things that struck me when I had the privilege of attending a service there was the warmth and feeling of rapport between Pope John Paul II and the people present. I have often wished we could have that same kind of rapport and that same feeling as politicians. As he came into the church the audience applauded spontaneously; because of that warmth of feeling, they applauded all the time as he walked down the aisle. I have that same feeling towards him and a feeling of shock and sadness that this violent event has occurred.

On this, our first occasion to recognize it, I am sure all members of this House, on behalf of all the people of Ontario, would want to express their thanksgiving that he is spared and that the shots fired into him were not fatal, and will join with the many millions of people around the world in praying that he will completely recover to carry on the fine work he has been doing.

**Mr. Smith:** Mr. Speaker, certainly every member of this House will want to join with the

House leader of the government, on behalf of all the citizens of Ontario, to express our thanks that Pope John Paul II has survived this attempted assassination and our hope and prayers that he will continue to recover swiftly and fully from this unwarranted and dastardly attack.

The question that is on everybody's mind seems to be why anybody would want to shoot or attempt to kill such a beloved figure of peace. It is interesting, if we reflect on the attempts—successful, unfortunately, in most instances—on John Kennedy, Robert Kennedy, Martin Luther King and John Lennon, that so many of these attempts are clearly made on people who are loved and who are well regarded by their fellow human beings.

These loners, these ne'er-do-wells, these miserable people with their shrivelled personalities and atrophied minds who feel like outsiders, seem to go after the people who are being loved. They are jealous of the fact that these individuals are being loved, and they feel that somehow as outsiders they can prove a point or make themselves greater or more meaningful by doing that. I think it is one of the tragedies of our time that these nuts are able to get hold of weapons and are able to launch attacks of this kind on our most beloved public figures.

All of us are obviously in a state of some reflection about this, and all of us can only hope that this trend will reverse itself somehow, although it is not easy to see how that is going to happen. We certainly are glad and thank God that the Pope has so far withstood the attack, and we hope for his full recovery.

**Mr. Cassidy:** Mr. Speaker, after I have made my remarks perhaps you could ask the House to observe a few moments of silent prayer to reflect the feelings of this House for a safe recovery for Pope John Paul II. Perhaps also we can hope that this rule of violence, which showed itself in Washington a few weeks ago and has shown itself again in St. Peter's Square, the centre of the Roman Catholic Church and the centre of Christianity for millennia, can somehow come to an end in the world and the citizens of the world can come to their senses.

I join with the statements made by the House leader and by the Leader of the Opposition. The



New Democrats join with the people of our province, of our country and of the whole world in thanksgiving that Pope John Paul's life appears to have been spared, but in shock, in horror and in revulsion at the fact that at the time this man of peace was mingling with the crowds in St. Peter's Square—mingling with pilgrims who had come from around the world to be there with their spiritual leader for a few brief moments—this man who had the courage and the zest for life and the daring to be prepared to show himself and be with the masses and not just be a distant, remote figure, should have been gunned down by a violent assassin.

Make no mistake: while we give thanks that Pope John Paul's life appears to have been spared, he faces many weeks of recovery. Although he is a robust man, a man who exercises and a man who at 60 is at the height of his powers, there will still be anxious moments ahead. Those bullets could have killed the Pope, just as the assassin's bullet could have killed the President of the United States, just as an assassin's bullet could come in Canada, the United States, France, Great Britain or any other country in this senseless pattern of violence, this insane kind of attack on all the established leaders in the arts, in politics and in the church.

Pope John Paul II has been a voice for social conscience. He has given inspiration to those elements within the Catholic Church who have been fighting for social justice in countries and areas such as Latin America. He has been a voice, a courageous voice, for peace. All of us remember the time that he went on a pilgrimage to Ireland and spoke there to half a million or more of the faithful, both from Northern Ireland and southern Ireland. He spoke out in a way that no one has yet succeeded in doing in terms of the strength of leadership he was able to provide in seeking a peaceful solution to the agonies of Ireland.

**2:10 p.m.**

He is a spiritual leader whose voice is heard around the world. I say on behalf of us all that our grief that this should even be attempted is matched now by our thanksgiving, and we join with billions of others in hopes and prayers that Pope John Paul will recover. We pray this kind of insane event will never again occur, and that we can move to the kind of world of peace that Pope John Paul II and so many others have fought for, hoped for, prayed for—a world of peace where this kind of insane attack will never again occur.

**Mr. Newman:** Mr. Speaker, I would like to make a few comments as a member of this Legislature whose father migrated to Canada at the end of the last century and decided to settle in this land, and as one who has always attended a Polish church. In Windsor we happen to have a Polish Roman Catholic church whose pastor and religious sisters at that church knew the Pope personally, since they had him as an instructor in religious training in their earlier days.

Words cannot truly express the horror and grief in our hearts at the news of the attempted assassination of Pope John Paul II. This unique man of God who promised the world a ministry of love has been devout, tireless and courageous in carrying out that ministry. The Holy Father has done much more than be a spiritual leader to the world's Roman Catholics. He has become an inspiration to us all as he covered more than 100,000 miles on his global tours in the name of peace and brotherhood.

Wherever he has travelled he has preached the gospel of love and peace. However, he has preached this gospel in a fashion that has given new meaning to those ancient words, making them terms of active and vital dedication, and dynamic, determined opposition to all that is evil and violent in the human body.

Our thoughts and prayers are with him today and will be with him in the days ahead as he struggles, with the help of his medical advisers and guardians and with the grace of God, to recover his health and strength.

**Mr. Speaker:** Thank you, Mr. Newman. I am sure all members of the Legislature join the many millions of people around the world in this moment of grief and thanksgiving that the Pope's life was spared. I wonder if all the members of the Legislature would rise and join with me in a few moments of silent prayer.

The House observed a moment of silent prayer for Pope John Paul II.

**Mr. Speaker:** Thank you. I trust all our prayers and best wishes will go for a speedy recovery.

#### QUEEN STREET MENTAL HEALTH CENTRE

**Mr. Ruprecht:** Mr. Speaker, I told this House on May 7 that the administration of the Queen Street Mental Health Centre is tight-lipped and that I could not get through to the administrator in spite of various telephone calls. I said the public relations man there had been told not to



talk to anyone on the outside about whatever goes on on the inside and that generally there is a shroud of secrecy about the hospital. In response to these statements, the Minister of Health said, "What the honourable member is stating is quite incorrect," referring to me.

Mr. Speaker, I have a memorandum here—it is confidential—that indicates a much worse situation. I will quote just one sentence. It says here: "Visits by politicians, regardless of party, should not be permitted unless approved by the minister's office."

I would like to ask the honourable member opposite how he can justify such a statement.

Hon. Mr. Timbrell: Mr. Speaker, on the point of privilege, which is really a question and should be part of question period, the answer is really quite simple: I do not intend to have any patients in any institutions coming under my jurisdiction used for political purposes.

#### DEPUTY SPEAKER

**Mr. Mancini:** Mr. Speaker, a couple of days ago the House participated in a vote and there was a division in the House concerning the government's throne speech. I want to say to you, sir, that I was quite surprised that the member for Durham East (Mr. Cureatz), the Deputy Speaker of the House, chose to participate in that vote and in that division in the House.

It is my contention—and I hope all honourable members give this some consideration, especially the member for Durham East, who takes his place in the Speaker's chair when you are not available, Mr. Speaker—that he must undertake his responsibilities in a way that would convey to all members of the House that he is being even, fair and nonpartisan at all times. It is my fear that if the Deputy Speaker of the House continues to vote with the government party every time there is a division in this House, when he does assume his place in the chair and when there are difficult decisions for him to make, it may appear in someone's mind that the decisions and statements and positions he takes as Deputy Speaker may be partisan.

I would suggest that the Deputy Speaker of the House take this into consideration, think about the matter seriously and decide whether it is really necessary for him to involve himself in these partisan votes in the light of the high office he now holds and in the light of the fact that he must not only always be independent but must always appear to be independent.

**Mr. Speaker:** I can assure the member for Essex South there is nothing improper about this, nor is there anything provided for under the standing orders to prevent it. I think, in all honesty, the Deputy Speaker is a very fair-minded man and it will be left up to his good judgement whether he participates.

#### STATEMENT BY THE MINISTRY

##### STABILIZATION PROGRAMS AND INTEREST RATES

**Hon. Mr. Henderson:** Mr. Speaker, I would like to bring this House up to date on a number of matters relating to interest rates and beef and hog prices.

As members may be aware, my ministry operates five farm income stabilization programs. One of these covers sow-weaner operations. Participating producers contribute one third of the enrolment fee, while the government pays the other two thirds. A payment is made on each sow enrolled when the market price of feeder hogs falls below a certain level. I will not go into the method of calculating the support price because it is rather complicated. I will be glad to point it out to any of the members on an individual basis.

However, our early information suggests we will be making a payment in late June under this program to cover the period of October 1, 1980, to March 31, 1981, since the price of market hogs appears likely to be lower than the support price. For the previous period covering April 1 to September 30, 1980, the sow-weaner stabilization plan paid out a total of \$9.3 million. I am announcing this now to give heart to our sorely pressed hog producers.

**2:20 p.m.**

I would like to turn now to the meeting I attended in Ottawa on Tuesday of this week. Eugene Whelan, the federal Minister of Agriculture, invited provincial agriculture ministers to discuss interest rates and low hog and beef prices. This was a meeting that I had asked him to call.

It was a good meeting. Each provincial minister had an opportunity to present the case for his farmers and some useful discussion came out of these presentations. There was general agreement for the seven-point program which I, as the minister for Ontario, proposed. I would like to list those points briefly at this time.

First, I proposed that Farm Credit Corporation financing be expanded to meet the needs of producers, including the need for refinancing



mortgages, and that the higher interest rate apply only to the additional amount borrowed at the time of refinancing. I am happy to say that Mr. Whelan agreed to work on this matter. He also said the Farm Credit Corporation interest rate will remain at 14 per cent until October, when the legislation requires that it be reviewed. He also indicated he will recommend expanded funding to his cabinet colleagues.

I also proposed that the Farm Improvement Loans Act be amended to allow loans for the consolidation of debt.

To make small business bonds available to individual farmers, Mr. Whelan undertook to recommend a change in the Income Tax Act to his cabinet colleagues. If the federal cabinet agrees with Mr. Whelan and if all-party agreement is obtained for speedy passage, small business bonds would be available to individual farmers this summer.

In the case of my proposal for an investment fund to lend money for agricultural purposes at reduced interest rates, with tax shelter benefits for investors, the federal minister said the Department of Finance was considering such a fund.

Mr. Whelan also said he would be making proposals to the federal cabinet for a change in the Farm Credit Corporation legislation which would also give private investors tax shelter benefits and farm borrowers lower interest rates. Again, provided cabinet approves and speedy all-party passage is granted, the change could be implemented this summer.

I dealt in some detail with stabilization payments in my remarks. For the short term, I requested strongly that the federal government speed up its payments, which are often made many months after livestock are sold. Mr. Whelan promised to streamline the federal system and appeared interested in the pork board's offer to help reduce paperwork. He said he would soon be making an announcement regarding the 1980-81 hog payments.

Unfortunately, the federal beef program will not be making a payout this year as 1980-81 prices were above the support level. I pointed out to Mr. Whelan that beef farmers were in deep trouble, and he acknowledged that every feeder lot in the country was in a loss situation. Nevertheless, the beef program will not be making a payout. I suggested the federal program was failing in its intent to protect the farmers from violent price swings and rising costs.

I also recommended that federal stabilization programs be run on a six-month payment period and that support levels be raised from the present 90 per cent to 95 per cent for hogs. I suggested it could be 100 per cent if the producer contributed one third of the enrolment fee. Mr. Whelan said he would put support price levels and harmonization of federal and provincial stabilization plans on the agenda for the meeting of federal-provincial agriculture ministers in mid-July.

I told Mr. Whelan that pending some real improvement in the federal beef program, we in Ontario would be looking at making our own arrangements. To that end I have asked the Ontario Farm Income Stabilization Commission to meet with the Ontario Cattlemen's Association to discuss a possible plan for Ontario. The cattlemen have chosen May 26 as the meeting day. If beef producers want such a plan, our existing legislation would permit one to be established.

I also pointed out what Ontario is doing to help our farmers in this difficult period. I am encouraging farmers to take advantage of the credit advice available through my ministry, and I am advising young farmers to take advantage of the Ontario young farmer credit program for debt consolidation. In addition, I have established a committee to review the operation of Ontario farmers whose creditors are about to call their loans. I have written to the banks requesting their co-operation in this.

All the ministers present at that meeting urged the federal government to adopt a rational approach to interest rates. They agreed with Ontario's position that interest rates are a federal responsibility and that only the federal government can deal adequately with the effects. In fact, Mr. MacMurchy, Minister of Agriculture of Saskatchewan said, "High interest rates for farmers can be traced directly to the economic mismanagement by the federal government."

It was suggested the option of lower interest and lower exchange rates on our dollar should be considered as an alternative to the present situation. Considering the difficulties our farmers are in, this option should receive serious consideration by the federal government.

On the whole, I believe this was a productive meeting. I believe we will see some positive effects over both the long term and the short term.



**ORAL QUESTIONS**  
**QUEEN STREET MENTAL**  
**HEALTH CENTRE**

**Mr. Smith:** Mr. Speaker, I have a question for the Minister of Health arising out of the point of privilege raised by my colleague the member for Parkdale (Mr. Ruprecht). Could the Minister of Health allow himself a few moments for some second thoughts on the totally irresponsible answer he gave to that point of privilege? Reading, as I shall, from this bulletin that was sent to administrators of all provincial psychiatric hospitals by Mr. Cardiff, acting director of the psychiatric hospitals branch, it says—

**Mr. Foulds:** Is this a question?

**Mr. Smith:** Yes, this is an important question, I will tell the member for Port Arthur.

It says: "As a general rule, tours should only be laid on for individuals or groups who will benefit directly, e.g., visiting professors or those having proper authority, e.g., accreditation or parliamentary appointed committees. Visits by politicians, regardless of party, should not be permitted unless approved by the minister's office through the branch."

Although presumably those who are members of cabinet are statesmen and the rest of us are politicians, given that all of us have a responsibility to the public, is it the minister's view we should not be allowed to inspect public institutions as they are, without forewarning them by going through the Ministry of Health? Is it his view we should not be allowed to drop in on reformatories, detention centres, jails, hospitals, or schools for that matter, to find out how things are being operated, that we as elected members should have to get permission and tip off the ministry involved before we are allowed to visit?

**Hon. Mr. Timbrell:** No, Mr. Speaker. It has always been my concern that the interests of the patients come first. I would tell the honourable member I do not visit any institutions without arranging it beforehand so that I do not inconvenience patients, staff or whoever.

By the way, I also make it a point that when I am visiting institutions from time to time, if the media are there, I specifically tell them they are not to take pictures of patients, in order to protect their confidentiality and interest.

So, with respect, Mr. Speaker, I think the member is blowing it out of all proportion.

**2:30 p.m.**

**Mr. Smith:** Supplementary: It would appear the only person who is losing his sense of proportion here is the minister. No one is talking

about taking pictures of patients—and I, as a psychiatrist, would certainly be aware of the difficulties there—but surely the elected representatives of the people, the members here in Her Majesty's government and loyal opposition, have every right to investigate from time to time to see that there are no conditions of cruelty and no unusual problems emerging in certain situations in prisons and so on.

That is not something that has never happened; that is not in the realm of speculation. Those things happen. Surely the minister would agree that we in this House have every right to visit parliamentary public institutions to see the kinds of conditions that exist there, without having to go through the minister. Will the minister rescind this order immediately?

**Hon. Mr. Timbrell:** Mr. Speaker, I do not think it is unreasonable for anybody to contact the administrator—in this case, the minister's office.

**Mr. Smith:** We are elected here; we are not just anybody.

**Hon. Mr. Timbrell:** No, Mr. Speaker, I am well aware of that. With respect, I think the Leader of the Opposition is making much more of it than was ever intended. Surely, as a practising psychiatrist, he would acknowledge it is only appropriate to give some notice to the clinical staff and others.

**Mr. Smith:** Not to the minister.

**Hon. Mr. Timbrell:** The minister is ultimately responsible for the system. With respect, the Leader of the Opposition is being even more silly than usual.

**Mr. Ruprecht:** Supplementary, Mr. Speaker: This is one of the most ridiculous things that I have heard in my two years of public life. Why has the minister or his staff told the public relations officer at that institution—never mind the politicians; there has been a direct order given to the public relations officer at that institution—not only to be tight-lipped but not to talk to anybody about what goes on inside, including the members on both sides of the House or anybody on the outside? Why has that taken place through his ministry?

**Hon. Mr. Timbrell:** Mr. Speaker, I am not sure it has. Certainly to my knowledge nobody in the minister's office or in a ministry branch has made any such statement. I am not sure what has transpired there, whether the administrator has made some changes in the operation of the facility, for which he is fully responsible to the branch and the ministry. He has only been



there a short while. I am sure as a new person he would want to make some changes. That may be one of them, I do not know.

My understanding is that he has indicated he wants inquiries to go through him and that's fine. He is the person who is the chief administrative officer for that facility.

**Mr. Breagh:** Mr. Speaker, if I may just correct the record, the members of this House do have a legal right to visit those institutions and I do not think that will be a problem. When I was health critic for this party, there was never any difficulty in visiting any hospital in the province; there was never any difficulty in getting all kinds of documentation from people who were there or in soliciting opinions from them. In fact, quite the contrary; we often had to ask them to stop the paper flow.

**Hon. Mr. Timbrell:** I am pleased to have that unsolicited testimony. I certainly would never countenance refusing admission to MPPs or refusing their rights. Mr. Speaker, I think you will find in the bylaws and manuals of administration of virtually every hospital in this province—and I am not just talking about the ones we administer; I am talking about the ones that are administered by community boards—a policy that the patients and staff are not going to be interrupted without some notice that someone is coming.

I have never and will never deny the rights of the members of this House to information and access. I think that has been attested to in an unsolicited fashion by the member opposite.

#### BATHHOUSE RAIDS

**Mr. Smith:** Mr. Speaker, I would like to direct a question to the Solicitor General. It is now some three months since the Metropolitan Toronto police department, in numbers of about 200, raided some bathhouses in Toronto. We have all been waiting to see the sum total of the charges which would be laid as a result of that rather large and serious effort at law enforcement.

Given that the Barracks case is still pending and the only charges laid so far have to do with whether the bathhouses were bawdy houses within the meaning of the law and whether, as a result of that, the money collected was illegally collected, and given that that case is still pending, does the Solicitor General expect any further charges will be laid which might be serious enough to justify the use of some 200 policemen on these raids?

**Hon. Mr. McMurtry:** There are a number of charges before the courts, Mr. Speaker. I would be quite happy to advise our colleagues in the Legislature as to the precise number and the nature of these charges when I have had an opportunity to refresh my own memory. But I would like to say that there are a large number, including, as I recall, some additional charges relating to criminal conspiracy that were laid just within the past two or three weeks. I am sure the Leader of the Opposition is aware of that fact.

In my view, the police were quite justified in using the number of officers that were employed in order to carry out a raid that was conducted in a fairly orderly fashion with a minimum, if not almost a total absence, of physical confrontation. The result of the employment of that number of officers at the scene meant that the vast majority of the accused could be released right at the scene rather than having to be put to the inconvenience of being taken to a police station and processed in the normal way.

I am well aware that the number of officers used has created the perception in some corridors of an overreaction on the part of the police in respect to the specific activity that was carried on. I would simply ask members of the Legislature as well as the public as a whole not to make any prejudgement in this matter, certainly not the judgement that is often made on the basis of some media reports, but simply to await the outcome of the disposition of these trials.

I am satisfied that the members, having had the benefit of this additional information, will be somewhat less concerned as to what occurred on that occasion. Given the fact that there are a number of charges before the courts, I am, of course, under some constraint in relation to the details of these cases.

**Mr. Smith:** By way of supplementary, since the minister must surely know that very few citizens of this province are likely to believe that the reason 200 police were used was primarily for the convenience of the found-ins, which seems to be the explanation the minister is giving; and since the same charges that have been laid could obviously have been laid if a very small number of police had simply gone in and seized the books and arrested the owners of these establishments; and given that this was the largest use and deployment of Metro police personnel that anyone can remember and the largest incident since the War Measures Act,

can the minister say that he is truly satisfied in his own mind that this was a reasonable use of Metro police personnel in the numbers involved?

How is the minister proposing that the public receive an accountability for this decision since the police commission, which ought to be the body that holds the police accountable for these decisions, seems to prefer a role largely as the public relations arm of the police and since there has been no other body set up which can come to a conclusion on this matter?

2:40 p.m.

**Hon. Mr. McMurtry:** Mr. Speaker, there are a number of suggestions and statements contained in this supplementary question that I simply do not accept as being accurate. I reiterate what I stated in response to the first question, that a number of these cases are before the courts and, in fairness to the individuals accused, I do not think it would be useful to discuss the matter further at this time.

The Solicitor General's estimates are starting next week. If the member wants to pursue some discussion with respect to police methods generally, not concentrating on what may be evidence adduced in court in this particular case, of course we will be very happy to pursue such a discussion.

**Mr. Breagh:** Supplementary, Mr. Speaker: I would like to ask the minister, is it true that the size, the timing and the very nature of the raids themselves were the subject of discussions within the Attorney General's office and that the whole nature of the raids was decided within his ministry?

**Hon. Mr. McMurtry:** No. I am very happy to address that question because I am very disturbed by some of the totally irresponsible statements that have been made. I realize some of these statements were made in the heat of an election campaign, but I am rather distressed that some statements, which have been reported to me since that interesting and useful consultation with the people of Ontario, are allegations that this raid was somehow politically motivated. I want to make it very clear that I regard that allegation as nothing less than outrageous and completely without any foundation.

As I have said before, the police do not consult the Ministry of the Attorney General with respect to their day-to-day operations. There was no one within the ministry at 18 King Street East who actually was aware of the raid in advance and no one in the crown law office. I understand an assistant crown attorney in the

York crown attorney's office was consulted with respect to some aspects of the matter. Apart from that, we had no prior knowledge whatsoever.

## INTEREST RATES

**Mr. Cassidy:** Mr. Speaker, I have a new question for the Minister of Agriculture and Food arising out of his statement today that the government intends to establish a committee to review the operations of Ontario farmers whose creditors are about to call their loans.

Would the minister tell us what all the announcements he has made today will do in the particular case of Henry Friesen, who is a hog farmer in Mildmay, Bruce county, who raises 1,500 pigs a year? His debts now exceed \$200,000, which debts include \$125,000 to the Bank of Montreal at two per cent over prime and \$50,000 to the Federal Business Development Bank in Owen Sound at three per cent over prime.

His operations have now been seized and are about to be sold, both the machinery and the livestock, because of his inability to meet all the interest rates that have grown so rapidly over the course of the last year. After taking away all the rhetoric and all the promises of consideration in future meetings, what specifically has the minister to offer in order to keep farmers like Henry Friesen in business providing food for the people of Ontario?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable member does not give me the age of this individual, but if he remembers my statement today, it suggested the young farmer credit loan, available through my ministry.

Interjections.

**Hon. Mr. Henderson:** Apparently, the members opposite are not interested, Mr. Speaker, in learning the real problems of the real farmers. If they would listen, they would understand. Do they want the answer?

The announcement today will allow this farmer, if he is under 35, to have his debts consolidated if the committee recommends they should be and if the bank will carry on. The province will put forth a guarantee of one per cent above prime. However, it has to meet the criteria of the committee that will investigate it.

Second, the announcement today tells this House that four weeks from the day the federal government states what the pig price was for the last six months—and Mr. Whelan left us with the impression that will be any day—our sow-



weaner program will go into effect and he will receive a cheque from them. We expect the announcement will be made any day and we say the payout will be in the middle of June. If he has a prime credit loan—I do not know whether he has or not—Mr. Whelan made it quite clear they are ready to look at that as a consolidation and incorporate it under the Farm Credit Act.

This man is one who might well qualify for all the programs I announced today. If the member would send over the details, I would turn it over to the committee that is going to look into this.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Given the fact that Mr. Friesen is a man of about 45—old enough to have a 19-year-old daughter and 16-year-old son—he is obviously not going to qualify for credit which may be available to young farmers. This is a typical, average Ontario farmer, a man who has had his farm for 10 years, who now finds the interest payments on his debts exceed his gross income from farming because of the increase in interest rates over the course of the past year. What does the government intend to do in order to ensure that Mr. Friesen now can get affordable interest rates?

He believes if he could have a long-term loan at 14 per cent he can pull his operation around. What does the government intend to do in order to ensure long-term stability to a farmer like Henry Friesen? How can we expect to have adequate supplies of pork at prices that consumers can afford if farmers like Mr. Friesen are being driven out of business every week in the province?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable member touched on the genuine problem. The price of pork is not high enough to give this man the return he needs. The consumer is getting very cheap food at a cost to farmers like this. Apparently, the leader of the New Democratic Party does not understand what the Farm Credit Corporation is. He does not understand that Mr. Whelan assured me that farmers such as this will get every consideration possible if it is brought to their attention.

**Mr. Riddell:** Supplementary, Mr. Speaker: When does the minister expect to have this committee in place? I trust it is following the recommendation of the Canadian Federation of Agriculture for a review agency since that is really what this government is going to set up. Who will comprise the membership of the committee? What does he intend to do about stalling any more foreclosures and bankruptcies until this committee has a chance to study each

individual case?

**Hon. Mr. Henderson:** The chairman of this committee is Mr. Norman Watson from my department. The members will meet tomorrow morning if need be. All we need are the cases.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Will the minister assure the House there will be no bankruptcies and there will be no foreclosures by banks on farmers in this situation until the measures he has talked about in this House can come into being? It has happened in the past that government in this province has acted to stop the process of foreclosure. Will the minister do it now for Mr. Friesen and the hundreds of other farmers who are in the same situation in the province today?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable member knows his request is not possible. We are a free enterprise government. We believe the individuals out there have the right. On Monday of this week I wrote to all the banks that have a licence to operate in Ontario. I pointed out to them my plans for the committee. I have asked them to please try to help if at all possible. I have requested this of the banks.

2:50 p.m.

#### USER FEES

**Mr. Cassidy:** Mr. Speaker, I have a question for the Treasurer with respect to the user fee policy of the government and the impact those user fees, which are determined by the Treasurer and the government, are having on families across the province.

I would like to draw to the Treasurer's attention the case of Gus Benedetti of Garson in the riding of my colleague the member for Sudbury East (Mr. Martel). Mr. Benedetti has one child still at home. He has an annual income of \$16,000. He is being billed by the Treasurer of Ontario and the Ministry of Health for \$6,490.17 as a user fee towards maintaining his wife in a home for special care.

Is it the policy of the government that user fees should be set so high they will take 40 per cent of an income as modest as Mr. Benedetti's? Will the Treasurer assure the House that where there are user fees at that unconscionable level, he will act in his budget to bring them down, if not to eliminate them?

**Hon. F.S. Miller:** Mr. Speaker, I will redirect that question to the Minister of Health.

**Hon. Mr. Timbrell:** Mr. Speaker, I will be glad to look at the individual case. Was this in a chronic care facility?



**Mr. Cassidy:** A home for special care.

**Hon. Mr. Timbrell:** It is a nursing home in other words. I will look at that individual case. The member has put the name on the record. I will take it as notice and give an answer tomorrow or at the first of the week.

**Mr. Cassidy:** If I can redirect back to the Treasurer, the issue is not just Mr. Benedetti, it is hundreds or thousands of other people across the province in similar situations.

When people like Mr. Benedetti have to pay user fees, that is unfair taxation. Since the provincial contribution for health and for post-secondary education has now fallen below what it is taking from people across the province in the form of user fees, will the minister agree that those user fee plans are unfair taxation and will he agree there will be no increases in user fees when the budget comes down next week?

**Hon. F. S. Miller:** No, Mr. Speaker.

**Mr. Peterson:** Supplementary, Mr. Speaker: Given the fact that Ontario health insurance plan charges have increased by some 82 per cent since 1976 at the average rate of 16 per cent a year, far above the rate of inflation, will the Treasurer assure this House he will not increase OHIP fees in the next budget and that any increases in taxation will come through the progressive system, paid by those people most able to afford it?

**Hon. F.S. Miller:** No, Mr. Speaker.

**Mr. Wildman:** Supplementary, Mr. Speaker: Will the Treasurer confirm that this province is now dependent to the level of about 20 per cent for funding through user fees, whereas the average across the country is about six per cent? How can he justify that kind of level? How can he justify the difference?

**Hon. F. S. Miller:** Mr. Speaker, I do not know what figures the honourable member is using.

## INTEREST RATES

**Mr. Sargent:** Mr. Speaker, I have a question for the Premier. The federal Minister of Agriculture, Mr. Whelan, announced last night he has approached the Canadian Bankers Association to have the major banks set up a moratorium program on mortgage interest rates to keep thousands of farmers and producers from going under.

In view of the fact that thousands of small businessmen are facing foreclosure because of high bank profits and interest rates and that thousands of Ontario home owners are losing

their homes because of the like policies of the chartered banks, and in view of the fact that the Premier has been asking us in the opposition to give him something constructive, and not to criticize him, I would like to ask the Premier if he would work with the Ontario Federation of Agriculture, with all our co-operation, and with the chambers of commerce, for the small businessmen and for the home owners, for the home owners' associations, for the people whose mortgages are foreclosing, to do a crash program to assemble all of the properties available in all these three areas in Ontario, to take a major step not for mankind but for the people of Ontario, to protect the equity of these people and to get this thing in motion?

I suggest he consider setting a moratorium program of maybe \$500 million as a target to make sure that the banks cannot force these people into foreclosure in all these areas. In today's Owen Sound Sun Times we have two pages of articles on what is happening to our farmers and to our small businessmen. It is time that we face it and, with the greatest respect, the time is now and not when this minister gets up and gives us these fairy tales he is telling us day after day.

**Hon. Mr. Davis:** Mr. Speaker, I think the honourable member will understand when I suggest, with respect, that the Minister of Agriculture and Food (Mr. Henderson) is not giving anyone any fairy tales. No one is minimizing the problem as it relates to the small business community, the farm community and to many people in society with respect to high interest rates. I am not going to go through the litany this afternoon of reminding the member that this is a national policy. I know the reasons they give, the rationales they develop; but I think it is fair to state that this government is always prepared to co-operate with the government of Canada in any program that creates solutions to problems.

I have pointed out to members of this House that I do not believe any provincial jurisdiction can deal with the question of interest rates on a comprehensive basis. I think that is a matter of national responsibility. The Minister of Agriculture and Food has met with the federal minister. The federal minister, as I read the news reports—

**Mr. Sargent:** He carries a lot of weight down there.

**Hon. Mr. Davis:** I would say to the honourable member that the Minister of Agriculture and Food in this province does carry a lot of weight in terms of his point of view. I would say



to the member for Huron-Middlesex (Mr. Riddell) there are very few people more knowledgeable in the field of agriculture than the Minister of Agriculture and Food in this province. I obviously include the member for Huron-Middlesex when I make that sort of analysis. He will understand if I rely more heavily on the minister's advice than his, (a) because he is more objective, (b) because he knows more about it, and (c) because he is more talented. The member would not be surprised if I were to do that, would he?

Interjections.

**Hon. Mr. Davis:** That does not come as a shock to him.

I notice in Mr. Whelan's observations he did zero in on the banks, which may or may not be appropriate, and laid some of the onus as it relates to the cattle industry on the individual farmers themselves and the necessity to create a marketing board.

I think it is fair to state that the Treasurer (Mr. F. S. Miller) and the Minister of Agriculture and Food met with the federation of agriculture of this province this morning. We are conducting these meetings and having these discussions. As a government, on any national program we are certainly prepared to sit down and discuss with the government of Canada whatever plans it might have to deal with the situation.

I want it clearly understood that as a government we do understand it, we appreciate it and we are concerned about it. At the same time, I am not going to lead anyone astray and suggest that any provincial jurisdiction can on a comprehensive basis solve the problem of interest rates. They are set by the Bank of Canada; we do not do it.

**Mr. Sargent:** Does the Premier know many of our farmers are leaving for Alberta? One of them is quoted as saying, "Ontario politicians are about as reliable as a baby's ass." He is at the point where he does not trust this government. The farmers do not trust them, the people who own homes and the small businessmen do not trust them.

3 p.m.

**Mr. Speaker:** Do you have a question?

**Mr. Sargent:** The question I want to ask is this: This man says he is going to Alberta where he can get all the money he needs for agriculture at nine per cent. Can the Premier tell me why, in this great, rich province, he cannot give nine per cent loans to farmers as they can in Alberta?

**Hon. Mr. Davis:** Mr. Speaker, I think it is fairly obvious to the honourable member that our sister province of Alberta does have access to certain funds not enjoyed by any other province in Canada at this moment.

**Mr. Martel:** You blew it over the years. We didn't use nickel to our advantage; we gave it away.

**Hon. Mr. Davis:** With great respect, I am not going to get into a debate with the member for Sudbury East, whose knowledge of farming is zip.

**Mr. Martel:** I am not talking about farming; I am talking about other things.

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** I have to tell the member that what he knows about agriculture he could put into the little finger of his hand. He just does not know the first thing about it and he never will.

**Mr. Martel:** That is right, and I agree with that, but what the Premier knows about mining is about the same amount.

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** I don't see a farm member in that whole caucus of yours.

**Mr. Martel:** We are talking about a resource policy.

**Hon. Mr. Davis:** The member is not a farm member. He holds up his hand over there. What does he want to do? Leave the room? There are some days when I think he should.

**Mr. Speaker:** Order.

Interjections.

**Mr. Speaker:** Order. Just ignore the interruptions, interjections and answer the question.

**Hon. Mr. Davis:** I will do my very best to ignore those enlightened, constructive interjections from members of the New Democratic Party who are so knowledgeable in the agricultural industry. I will certainly do my best.

Interjections.

**Hon. Mr. Davis:** But, Mr. Speaker, they are still trying to interrupt me.

I think the reasons that one or two provinces, particularly Alberta, are prepared, or are in the position to offer certain inducements, are there and are kind of obvious. I think I might caution that person—from me with my modest knowledge of the agricultural industry—that if he is going into the cattle business, perhaps the availability of lower interest money, even in Alberta, may not solve the problem. I still have a



few farmers in my own constituency, I would remind the member for Grey-Bruce.

I think it is fair to state that while some farmers who are dealing in cash crops or in milk, for instance, are feeling the pressure of the rates because of the marketing systems, they are able to pass on a certain amount of increased cost to the consumer, which is fair. What has happened in the cattle business is that for their own reasons—and I know some of them; they are very independent people—they have been reluctant to move to a marketing board. This is one area where I tend to agree with the federal Minister of Agriculture—I do not always agree with him—when he says that in the cattle industry part of the problem lies in the fact that they have not created a marketing board where they would be in a better position in terms of supply and of the end price for their product.

I think a farmer moving to Alberta, entertaining the thought of going into the cattle industry, would be well advised to check just what is the export situation, what the price will be per pound or per hundredweight. He may find that even the nine per cent money does not make it that attractive.

**Mr. Nixon:** Supplementary: Would the minister not see what an injustice it is in the eyes of the farmers of Ontario, when they look at their principal competitors, not in Alberta but in Quebec, which province is no more prosperous than we are, but which definitely does have programs which at least move in some part to meet this situation, and particularly when they remember that this government, under different political circumstances, had a junior farmer establishment loan and a specific program to assist with interest rates? While accepting that the primary responsibility is at the federal level, would the Premier not see how difficult it is for the farmers, who are reasonable people and taxpayers too, to accept what he and the Minister of Agriculture and Food say, which is that we can do nothing because it is all federal?

**Hon. Mr. Davis:** Mr. Speaker, I think we have demonstrated in the past that on the short-term basis we have not only been sympathetic to but we have met the needs of the farm community. We could very easily engage in comparisons. I will not get into what some might argue is the source of funding by way of equalization in Quebec and how that money may find its way to the farmers of Quebec.

No, I am not going to raise that. I am saying to the honourable member that I understand it is difficult for our farmers to comprehend the

differences in programs existing within individual provincial jurisdictions, and I am not saying, neither is the Minister of Agriculture and Food saying, that we are washing our hands of it. That is not true. There would be no point in setting up these committees and having the meetings that the minister and the Treasurer (Mr. F. S. Miller) are having with the Ontario Federation of Agriculture at this moment. What I do not want to do is lead anyone astray and say there is any easy solution, not just for the farm community but for many people when it comes to the question of interest rates.

I am not going to repeat what I have said except to remind the honourable member that the interest rate policy is set by the national government; I will not even mention the fact that it is a Liberal national government. It is set by them, not by the provinces.

**Mr. Riddell:** On a point of privilege, Mr. Speaker: In the Premier's response he chose to make a comparison between my experience, talents and knowledge of agriculture and those of the Minister of Agriculture and Food. To the best of my knowledge I do not ever recall my leader receiving letters from farmers asking for my resignation as the agriculture critic for the Liberal Party. I wonder whether the Premier would comment on the letters he has received about his minister, and what the federation thinks about that minister. That speaks for his talent, that speaks for his knowledge, that speaks for his education.

**Hon. Mr. Davis:** Mr. Speaker, I am delighted to reply to that very cynical and small observation from the member for Huron-Middlesex. His leader has called for the resignation of just about every minister of the crown. He had an opportunity to persuade the people of Ontario as to the validity of his position, the programs he enunciated, the leadership he was prepared to provide to the people of Ontario on March 19, and they rejected him and his party categorically. I have not had any letters.

**Mr. Smith:** Nyea, nyea; n-y-e-a.

**Hon. Mr. Davis:** The Leader of the Opposition is the one who says "Nyea, nyea." His observations probably never saw the record of Hansard. When he referred to this distinguished group of new members as being representative of the oldest profession in the world it demonstrated to me just how cynical he is in terms of political leadership.

To answer the honourable member's question, I do not know what letters—



**Mr. Sargent:** Mr. Speaker, on a point of privilege.

**Hon. Mr. Davis:** No, no. Let me finish. I am on a point of privilege.

**Mr. Sargent:** That is an insult to women.

**Mr. Speaker:** Order, order.

**Hon. Mr. Davis:** He tried to insult them, but they are not that easily insulted; they are Tories.

In reply to the honourable member, I do not know what letters his leader has had about his performance. I have had certain communications in terms of the Minister of Agriculture and Food; I have had communications about many people. I would only say that my constituency is relatively typical, and I have had no representations about the honourable member opposite and his performance in the House because they do not know he exists.

#### RAID ON INDIAN RESERVE

**Mr. Laughren:** Mr. Speaker, I have a question for the Minister of Natural Resources.

Interjections.

**Mr. Speaker:** Order, please. Order.

**Mr. Laughren:** You are allowing it to happen, if I might say so, Mr. Speaker.

May we assume that the minister agrees with the guidelines sent out by his predecessor to all his regional directors dealing with Indian matters in Ontario? In particular, does he agree with guideline number four, which states: "It is the policy of the Ministry of Natural Resources that Ontario conservation officers will not enter an Indian reserve in Ontario to enforce the Fisheries Act and/or the Migratory Birds Convention Act and the regulations made under these statutes without the agreement of the chief or the approval of the Minister of Natural Resources"?

If the Minister of Natural Resources does agree with that guideline, sent out under his predecessor's name, could he explain how it is that at 5:30 a.m. on the morning of May 8, personnel of the Ministry of Natural Resources and the Ontario Provincial Police raided the Moraviantown Indian reserve east of Chatham, and why this was done without the approval or invitation of the chief of that particular band? Does that mean the minister gave his personal approval for that raid?

3:10 p.m.

**Hon. Mr. Pope:** Mr. Speaker, the answer is that I authorized the issuance of search warrants based on information available to me and

to the officers of the crown leading us to believe there was a breach of the laws of Ontario.

**Mr. Laughren:** That is very interesting. Given the very volatile situation that exists on that particular reserve, does the minister think it was appropriate—from reports I have received—that there were on that raid as many as nine cars, 20 Ministry of Natural Resources personnel and 12 OPP officers, some carrying shotguns? Does he really think that is the appropriate way to investigate a possible infraction of the Fisheries Act? Does he not think he owes an apology to the people on that Indian reserve for the bizarre and dangerous behaviour of his people and of the Ontario Provincial Police?

**Hon. Mr. Pope:** With all respect to the honourable member, he does not know all the facts of the situation that existed. Those facts will come to light during the course of the legal proceedings that are about to take place. I would have to say I have confidence that the members of the Ontario Provincial Police and the employees of my ministry, all of whom are experienced in these matters, felt there was enough of a problem with respect to a breach of the laws of the province to take the actions they did, and I support their actions fully.

#### REMOVAL OF CONTAMINATED SOIL

**Mr. Pollock:** Mr. Speaker, I have a question for the Minister of the Environment. Is the minister aware that the Atomic Energy Control Board of Canada is taking contaminated soil from the Toronto area and dumping it in my riding?

**Hon. Mr. Norton:** Mr. Speaker, I can assure the member that it is certainly not a decision of the province to do anything like that in his riding.

I am aware that about the sixth of this month the chairman of the AECB announced the decision to transfer some contaminated soil from the suburban Scarborough area to a mine site in the Bancroft area and deposit the soil on the tailings from a mining operation in that area. That decision is clearly within the jurisdiction of the federal government and the AECB.

I might also say to the honourable member that on the basis of the information I have, it would appear to be a safe decision. The level of contamination in the soil in Scarborough is very low, and the information given to me following some inquiries I have made is that the transfer of that soil to the site and the placing of it on the tailings would have the effect of reducing



the ambient radiation in that immediate area because of the much lower level of contamination in that particular soil in comparison with the tailings.

I realize there has been expression of concern in that area about whether this might in some way represent the identification of that mine site as a dump site for radioactive substances. I can assure the honourable member that certainly nothing I have seen or heard would in any way indicate it is more than simply a single isolated decision with respect to the disposal of this contaminated soil at this time.

**Mr. Pollock:** Supplementary: I would just like to ask the Minister of the Environment, if he feels it is safe, why do they not leave it in Toronto?

**Hon. Mr. Norton:** Mr. Speaker, I want to make it clear it is not my decision, but I do think, in view of the evidence I have seen, it is probably a correct decision. There has certainly been concern expressed about the safety of the level of radioactivity in the soil. It has been suggested that, over any kind of short-term exposure, it is probably not hazardous at all. In its present location it happens to be in a residential area; the movement of it to a more isolated area in terms of the specific tailing site and its deposit upon tailings that are at present more highly radioactive will improve the ambient radioactivity in that particular tailings area. It should result in an improvement as opposed to an increased hazard in that community.

**Mr. O'Neil:** Supplementary, Mr. Speaker: As that material would likely have had to pass through my riding—and I know the minister would never have put it into a Liberal riding—may I ask the minister if he consulted with the member at any time to let him know it was going to be dumped there without his approval?

**Hon. Mr. Norton:** Mr. Speaker, I had nothing to do with the decision itself. As a matter of fact, the only knowledge I have of the decision is that I have been advised by the AECB that it was taken. It is also my understanding that none of it has been transferred as yet. I believe there is a tendering process under way through the AECB with respect to the removal and the transfer of that material. That is something entirely under the control of the AECB.

#### SALES TAX ON MEALS

**Mr. O'Neil:** Mr. Speaker, I have a question for the Minister of Industry and Tourism that pertains to the cost to tourists of dining out in

Ontario. May I ask the minister what tourism initiatives he might be proposing to the Treasurer (Mr. F. S. Miller) for the 1981 budget? Has he considered suggesting to the Treasurer that the sales tax on meals be brought into line with all other taxable items by reducing that tax from 10 per cent to seven per cent, a move that I believe always had the support of his predecessors in that ministry?

**Hon. Mr. Grossman:** Mr. Speaker, I do not think there is a member of this House who has a better understanding of the tourism industry or cares more about it than the Treasurer of this province. He has continued to reflect that in all his budgets. Look at the history of all the budgets this Treasurer has brought in. As the honourable member knows even from his early discussions with the tourism industry, to have this Treasurer in this job is one of the best things that ever has happened to the tourism industry.

Having had discussions with the Treasurer, I am confident he will show his usual sensitivity to the tourism industry and treat it equitably, notwithstanding his special interest in that area.

**Mr. O'Neil:** I take it then the minister has made that suggestion. I would also ask whether the minister would consider suggesting altering the 50:50 food-to-liquor ratio that restaurants must adhere to in order to reflect more adequately the constant increases in prices that the Liquor Control Board of Ontario sets on its products.

**Hon. Mr. Grossman:** If that is the position of the Liberal Party, perhaps the critic for Consumer and Commercial Relations will state that as the policy of the Liberal Party. I can only say the policy on this side of the House is always reflected by the minister responsible and we heartily agree with that position.

I can assure the member—and his seatmate will verify this I am sure—that as Minister of Tourism I have had a great deal of response on tourism matters from all my colleagues. One need only look at the budget allocations and the budgets themselves over the past three years in terms of the sympathy and great support the tourism industry has had, not just from this minister but from all the ministers sitting on this side of the House. If I continue to get that sort of response on all the input I have, I will continue to be delighted, as will the tourism industry.

#### NURSING APPLICATIONS

**Hon. Miss Stephenson:** Mr. Speaker, it is as Minister of Colleges and Universities that I rise



to respond to a question raised by the leader of the official opposition on Tuesday. That question was: "Is she aware that 675 applications were received at Algonquin College in Ottawa for 130 positions, that 530 of the people were found to qualify and, after that, the choice was made simply by random computer selection?"

**3:20 p.m.**

The facts in the case are these: At Ottawa there are 130 places in the city of Ottawa English-language nursing program. For those places this year, 681 applications were received of which 661 were from Ontario. The applicants who met the basic academic qualifications numbered 525. Of those, 439 pursued the procedure for evaluation of eligibility to the program, which is carried out by instructors and administrators. It is estimated, because that assessment is not as yet completed, that of the 439, 260 will meet the nursing program requirements for the 130 places available.

Those 525 are not subjected, nor are the 439, to random selection. There is a process of evaluation which is carried out first, to the utmost of the capability of those involved in assessment, and only then, when there are more applicants than there are places available, is that selection process used for fairness to all.

**Mr. Smith:** Supplementary, Mr. Speaker: Given that there are at least four community colleges that introduced the process of random selection at some point during the proceedings—the minister likes to say that is at the end, but to get from 260 to 130 means 130 people are going to be rejected on the basis that they held the wrong lottery ticket—therefore I would ask the minister: is she prepared to instruct these colleges and universities, or anybody engaging in this lottery ticket method of choosing people, to set that aside and to make what are admittedly difficult decisions, but to try to choose the best people they can for the jobs at hand and the spaces at hand?

If not, is she prepared to introduce the lottery ticket system in the schools of medicine and law and dentistry as well, because they also have a much larger number of applicants than they have places available?

**Hon. Miss Stephenson:** It is perfectly obvious that the honourable member refuses to understand the selection process does move to the level of selection of the best of the applicants. As the member knows, there are always more applicants than there are places in limited-space courses such as nursing, medicine, law and

others, and they cannot all be accommodated.

We are not attempting to produce an elitist situation at the community college level, but we are attempting to ensure that the highest possible qualifications for the level of nursing being taught at those institutions is an important part of the assessment procedure of all applicants. All those who feel they are being disadvantaged by this system have the option of applying to schools of nursing for the baccalaureate program at universities if they wish to do so.

#### TRANSPORTATION OF NUCLEAR RODS

**Mr. Samis:** Mr. Speaker, I have a question of the Minister of Transportation and Communications. First of all, in view of the fact that the international bridges at Cornwall and Prescott have been closed for the transportation of nuclear waste from Chalk River, could the minister inform the House what discussions he has had with the Atomic Energy Control Board regarding alternative routes in Ontario?

**Hon. Mr. Snow:** Mr. Speaker, personally I have had no correspondence or discussions with the AECB, which is, of course, a federal body; we have not heard from them at my level. Whether my staff had any discussions with them or not, I will check and find out. The international bridges the member refers to are under the federal jurisdiction as well.

**Mr. Samis:** Could the minister confirm certain rumours that a shipment of radioactive fuel rods will take place along Highway 17 tomorrow; could he tell us what precautions may have been taken, and is he aware of the resolution passed by the Sudbury regional council strongly opposing the transportation of nuclear waste material across its regional boundaries?

**Hon. Mr. Snow:** Mr. Speaker, I am not aware of the rumour the honourable member talks about. I will read Hansard and get the details and check into it.

**Mr. Newman:** Supplementary, Mr. Speaker: Will the minister ask the federal authorities to notify his ministry every time any nuclear wastes are being transported from the United States through Canada to other parts of the US?

**Hon. Mr. Snow:** Mr. Speaker, I do not think that question has any relativity to the other question because we were not talking about nuclear waste, as I understand it. We were talking about uranium rods, which are a lot different from nuclear waste, and we were not talking about transporting it in the US.



## WINDSOR VIA RAIL TERMINAL

**Mr. Mancini:** I would like to direct a question to the Minister of Transportation and Communications, Mr. Speaker. Can the minister indicate whether he is aware of any plans by Via Rail to construct a new train terminal building in the city of Windsor for passenger service? If so, could the minister inform the House how these plans coincide with the report of the Ontario Task Force on Rail Policy?

**Hon. Mr. Snow:** Mr. Speaker, I am not aware of any plans of Via Rail to do anything to its station in Windsor. Certainly I have not been notified about it. I hope Via Rail is going to do something. We have been encouraging Via Rail and the federal government to improve passenger transportation facilities in the Quebec City-Windsor corridor for a number of years. If they are doing that I am more than happy.

**Mr. Mancini:** I am shocked the Minister of Transportation and Communications for Ontario is not aware Via Rail is proposing a new terminal building for Windsor. Will the ministry involve itself in any of the preliminary discussions with Via Rail as to the location of this new site and whether it will simply be a train station or a multitransportation terminal?

Furthermore, since the ministry's new-found interest in rail policy has been documented in a \$300,000 study, will the ministry be prepared to assist Windsor in any expenditures the city may have to undertake in order to have this new transportation terminal become a reality?

**Hon. Mr. Snow:** First of all, Mr. Speaker, I regret very much the honourable member is shocked that I did not know what Via Rail was doing. I have to remind him Via Rail is not a responsibility of my ministry and Via Rail has no responsibility to inform me of its day-to-day operating plans. However, on numerous occasions we have met and—

**Mr. T.P.Reid:** We have a million-dollar study on rail—

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Snow:** The honourable member for Rainy River has his facts all wrong, as he usually does.

There have been discussions on situations where we have encouraged the development of multimodal terminals where railway stations, bus stations and what not can be put together in one facility. This I would encourage and I would be quite prepared to talk to the city of Windsor about it.

On the other hand, I am sure the member from that area is aware the Windsor Transit Commission, which operates transit in the Windsor area, is a municipal system. If the transit authorities wish to involve themselves in a bus terminal, the normal procedure would be for them to apply to my ministry for a capital contribution to it, as it is a routine part of our transit operation.

I do not know what the honourable member is talking about—he has not really told me—but if he is referring to an intercity bus terminal, that is in the private sector and I would suggest the private bus companies be involved in the discussions.

3:30 p.m.

## REPORT

### STANDING COMMITTEE ON PROCEDURAL AFFAIRS

Mr. Kerr from the standing committee on procedural affairs presented the committee's report on agencies, boards and commissions, and moved its adoption.

**Mr. Kerr:** Mr. Speaker, this report was completed by the previous standing procedural affairs committee, the chairman of which did not really have the opportunity to present the report to this House. It is now being presented for future consideration and debate by the members.

On motion by Mr. Kerr, the debate was adjourned.

## MOTIONS

### REFERRAL OF COMMITTEE REPORTS

Hon. Mr. Wells moved that notwithstanding standing order 33(a) as adopted March 13, 1980, the House will take into consideration, at separate sittings on dates to be announced later by the government House Leader, the following two sessional papers: 1. Sessional paper 57, draft final report, select committee on plant shutdowns and employee adjustment, January 1981, tabled May 11, 1981; 2. Sessional paper 62, standing committee on public accounts, final report, December 1980, tabled May 14, 1981.

Motion agreed to.

### ANNUAL REPORT, MINISTRY OF HOUSING

Hon. Mr. Wells moved that notwithstanding the standing orders and practices of the House, the standing committee on administration of



justice report on the Ontario Housing Corporation and local housing authorities of the Thirty-First Parliament, dated February 1981 and tabled April 21, 1981, be placed on the Order Paper for adoption, to be called for debate under standing order 30(c).

Motion agreed to.

#### ANNUAL REPORT, WORKMEN'S COMPENSATION BOARD

Hon. Mr. Wells moved that the Workmen's Compensation Board annual report for 1979 be referred to the standing committee on social development for consideration starting June 1, 1981, and such consideration not to exceed three sittings.

Motion agreed to.

#### INTRODUCTION OF BILL

##### MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING ACT

Hon. Mr. Bennett moved first reading of Bill 67, An Act to establish the Ministry of Municipal Affairs and Housing.

Motion agreed to.

**Hon. Mr. Bennett:** Mr. Speaker, the purpose of the bill is to establish the Ministry of Municipal Affairs and Housing by bringing together the municipal affairs and also the municipal law areas at present in the Ministry of Intergovernmental Affairs, and the community planning wing, the community development wing and the land development wing in the Ontario Housing Corporation at present in the Ministry of Housing.

The new minister will be responsible for the policies and programs of the government of Ontario in relation to municipal affairs, including the co-ordination of programs and financial assistance to municipalities, community planning, community development, the maintenance and improvement of the built environment, land development, housing and related matters.

#### ESTIMATES

**Hon. Mr. Wells:** Before the orders of the day, pursuant to the standing orders, I would like to indicate to the House the sequence of estimates and hours agreed to by the House leaders. This is not the complete list, but it is sufficient to take us to our summer adjournment, I believe, at which time I will indicate the order for the remaining ministries.

In the committee of supply in this House,

estimates are to be taken in the order shown as follows: Ministry of Government Services, four hours; Management Board, three hours; Ministry of Northern Affairs, eight hours; in the standing administration of justice committee: Solicitor General, 10 hours, followed by justice policy field, three hours; in the standing resources development committee: Ministry of Energy, seven hours; and in the standing social development committee: Ministry of Culture and Recreation, eight hours.

#### INTERIM ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I would like to table the interim answers to questions 60 to 64, 67 to 68, 71, 73 and 76, standing on the Notice Paper. (See Hansard for Friday, May 15.)

#### ORDERS OF THE DAY

##### PRIVATE MEMBERS' PUBLIC BUSINESS SEPARATE MINISTRY OF MINES

Mr. Havrot moved resolution 3:

That, in the opinion of this House, the government should reflect the fact that mining is the largest employer and largest revenue producer in the north, by examining the feasibility of re-establishing a separate ministry of mines.

**Mr. Speaker:** The honourable member has up to 20 minutes for his presentation and he may reserve any portion of it for his windup.

**Mr. Havrot:** Mr. Speaker, I have never been much of a believer in fate. I have always felt that an individual's destiny lay in his own hands and that in a free society the work ethic counted for more than a crystal ball. But I have to reassess that belief after hearing the results of our private members' draw. Is it fate that my motion is the first private members' resolution to be presented before this parliament? I know there are members opposite who might attribute it to something else. I hope it is an indication of good times to come. There is no doubt in my mind that an administrative change will have a profound effect on the mining industry and the citizens of northern Ontario.

**3:40 p.m.**

I would like to preface my remarks by providing some background on the importance of the mining industry to this province and country. I ask the members to bear with me, but I think one of the problems this industry has faced in the last few years is one of misunderstanding.



Some of us have forgotten just how important mining is to our province. If we can replace this ignorance with appreciation, I think we would be much closer to achieving our goal.

There are few industries in Canada that are active in all 10 provinces and both territories; mining is one of them. There are almost 300 operating mines that produce more than 60 different commodities. Canada's mining production is second only to that of the USSR in the entire world and accounts for approximately six per cent of our gross national product.

On a world level, Canada rates first as a producer of nickel, zinc, asbestos, silver and nepheline syenite. We are second in potash, molybdenum, gypsum, selenium, titanium and uranium production; third in gold and lead; fourth in copper and sixth in iron ore. It reads like the list of Russian medals at the Afghan Olympics.

Obviously, this vast national wealth is a substantial portion of our export market. As a matter of fact, approximately 60 per cent of our national mining production is shipped to foreign markets in almost 100 countries. It amounts to about one third of this country's total exports.

I noted with great interest an independent report on the development of our national mining and petroleum resources. Funded by the Canada West Foundation, it forecasts that Canada's trade balance, with no additional mineral development, would show a trade deficit of almost \$13 billion by 1985. On the other hand, with additional development, the study suggests there could be a modest surplus.

The writing is on the wall. This nation's growth is very much tied to the growth of our mining industry. There is no question that Canada's mining production is anything but world class. There are not too many nations that wouldn't give their collective eye-teeth for our country's resources.

**Mr. Martel:** I guess so, when you give it all away.

**Mr. Havrot:** Just listen. On some of the things you will agree with me.

As a matter of fact, I am sure that the same can be said for Ontario's mineral resources. Most other countries fall behind our province's mineral production, let alone Canada's. In fact, our list of mining accomplishments is very impressive indeed. This province is second only to Alberta in mineral production. I might point out that the bulk of Alberta's production consists of crude oil and natural gas. Still, Ontario's annual mineral production is worth well over \$3

billion. Discounting the recovery of fossil fuels, it has been estimated that about 42 per cent of Canada's entire mining output is from our province. To put that in perspective, it is estimated that Ontario's metallic mineral production is equivalent in value to almost half of the entire American production.

**Mr. Mackenzie:** How much do we get in Ontario taxes?

**Mr. Havrot:** We will get around to that. Don't get excited.

We are currently the world's largest single source of nickel and a major source of copper, zinc, cobalt and selenium. In the non-Communist world, we are the second largest source of silver and third largest source of zinc. In terms of value, Ontario is the largest single mining source of precious metals in North America.

In 1979, Ontario's mine output of precious metals was estimated at about \$500 million. That figure is equivalent to the amount a consortium of 10 European nations is committing to the development of the space lab program. It is a considerable sum of money.

Nickel production has always played a major role in our provincial economy. It accounts for over 40 per cent of our metal production and is certainly a cornerstone of this economy. Most casual observers think that nickel affects only Sudbury's economy. It is true that that city does have a large stake in nickel, but we are all affected by this metal. Nickel production is equal to about 52 per cent of the cash income from Ontario farmers' livestock sales and to almost 96 per cent of the cash income from their total crop sales.

The world's demand for energy continues to grow, thus increasing the need for uranium. Ontario is Canada's largest producer at the present time and, in 1979, produced approximately 11 million pounds of uranium oxide. Major expansion programs are under way by both Rio Algom and Denison Mines in Elliot Lake. This community is still the largest uranium producing camp in the world. Not only will this uranium help to fill Ontario's needs, but these large reserves exceed our own requirements. This will help Canada's surplus trade balance, and is a situation which should continue well into the future.

Ontario also remains as a major world producer of platinum group metals. These platinumoids are noble metals which are highly valued for their ability to withstand severe heat and corrosive elements. They are also able to resist oxidation in air or water and have an immunity



to acid solutions. This ability to remain unchanged in various environments makes them a much sought after group of metals.

The eight platinoids are associated with nickel mining, and between six and 6.5 per cent of all metals recovered from nickel ores consist of the eight precious metals, as they are sometimes called. As I have mentioned before, we are blessed with vast nickel resources. The best known of the platinoids are gold and silver. Ontario is Canada's leading gold and silver producing province and the major contributor in our world ranking in both metals. The remaining precious metals are found in much smaller quantities.

The elements iridium, osmium, palladium, platinum, ruthenium and rhodium are used in jewellery, glass fibre production, glass processing and as catalysts in electrical contacts. They are also used in scientific and laboratory equipment, in spark plugs and magnets, in gasoline refining and in the production of strong alloys. Their uses are varied and the demand for them should continue well into the future.

Mr. Speaker, I would like to thank you for your patience, but I felt it was important to develop a little background to Ontario's mining industry. To those who are not familiar with its production records, mining is very much the unknown industry. Some of the fault lies with the industry itself, and I am glad to see it is taking steps to correct public misconceptions. I also believe this government must shoulder some of the blame for mining's lack of recognition. Not only has it hidden away this vital industry, but in many ways it is stunting its future growth. It is a situation with which I am very concerned.

Interjection.

**Mr. Havrot:** It stunted your growth.

This industry will not be able to attain its full growth potential until we create a separate ministry of mines. As I have already outlined, it is a large industry but I am afraid its growth has not been very active. In the period of time between 1971 and 1980, only 35 certified new mines were opened in Ontario. Opening less than four mines per year will not keep Ontario as one of the world's premier mining jurisdictions. Exploration and development have declined and action must be taken if we are to gain our momentum.

Interjections.

**The Deputy Speaker:** Mr. Havrot has the floor, please.

**Mr. Havrot:** Mr. Speaker, will you look after these rowdies across the floor?

As I mentioned, the mining industry has been hidden away by the Ontario government. By placing the mining industry under the jurisdiction of the Ministry of Natural Resources, we have allowed it to become overshadowed by the ministry's other activities.

Interjection.

**Mr. Havrot:** Be quiet. Listen and you might learn something. That ministry's activities are also considerable. When one considers that MNR is responsible for forestry, wildlife, fisheries, parks and recreation, land use, land management, conservation authorities, Indian resources policy, aviation and fire management and a surveys and mapping branch as well as mineral resources, it is surprising that the mortality rate of our ministers is not higher. I am surprised the Treasurer (Mr. F. S. Miller) suffered his heart attack before he became Minister of Natural Resources. At least all he has to worry about now is the provincial budget.

I am concerned about the basic philosophical difference MNR is forced to contend with. Unlike the mining section, the other branches deal with renewable resources. Forestry, wildlife and fisheries are all concerned with replacement policies. Minerals are a totally unrenewable resource. Once one has completed the mineral extraction of an ore body, the mining operation is forced to move. It is forced to pursue a policy of relocation, not regeneration.

Mining has never received the attention it is due. Even a cursory glance at the Ontario government phone book gives one some indication of the importance we place on the mining industry. MNR takes up a total of 24 pages of the phone book, yet no more than one page is devoted to the mineral resources section. This industry will not grow if we continue to neglect its proper magnitude and importance

**3:50 p.m.**

There is no doubt that the forestry section is the glamour branch of the ministry.

Interjections.

**Mr. Havrot:** Will you look after these rowdies, Mr. Speaker?

**The Deputy Speaker:** I am listening to you, Mr. Havrot.

**Mr. Havrot:** The Ontario government has done much in the last few years to increase production and regeneration practices. Pulp and paper mills have received substantial grants for modernization.

Interjections.



**Mr. Havrot:** Does the honourable member like that? The old Department of Lands and Forests was the forerunner of the present ministry. The former Department of Mines was no more than a small addition. This situation has really not changed. It is my suspicion that the majority of district managers are forestry people.

As you know, Mr. Speaker, the ministry is one of the most decentralized in the entire government. There are eight regional offices and over 40 district offices spread across the province. This decentralization requires a great deal of decision-making at the district managerial level. It just does not make sense to have a district manager who is a forestry expert making mining decisions or, conversely, a mining expert making forestry decisions. Unfortunately, this situation exists today to the detriment of both disciplines.

If one looks at the statistical comparison of these two industries, there is no question as to which is more important to this province's economy. Government revenue from the forestry industry was under \$50 million last year, while the mining industry supplied over \$102 million to the provincial coffers in 1980, over double that of forestry's contribution.

Employment statistics show similar results. At peak employment times, the forestry industry employs between 13,300 and 13,500 people. The mining industry employs over 34,000 people annually. To top it off, mining shows a greater stability of employment: at its lowest operations there are almost 33,000 employed.

The forestry industry experiences almost an 18 per cent decline during the off-peak season. On the other hand, mining does not undergo any such slump. Its employment drops less than five per cent. I believe that these figures give ample justification for the establishment of a ministry of mines.

Interjections.

**The Deputy-Speaker:** Will the member for Sudbury East (Mr. Martel) please let the speaker continue?

Interjections.

**Mr. Havrot:** I beg your pardon? Mr. Speaker, when is the member for Sudbury East going to grow up? He is still smarting from March 19. I can see that.

I thought it might be worth while to examine departmental jurisdictions in other provinces. I confess that I was not surprised to learn that six of the 10 provinces have separated mining and

forestry responsibilities. Only Alberta, Quebec and New Brunswick have the same ministry or department responsible for both endeavours.

In Alberta's case, the forestry industry is so dominated by the giant petroleum concerns that it really does not warrant a separate ministry. New Brunswick mineral and forestry industries are both quite a bit smaller than those of Ontario and do not really compare in production levels. The bottom line is that almost all the other provinces have seen the benefits of having separate ministries.

One of the responsibilities of a new ministry of mines should be the formation of a new crown corporation for mining exploration that would have the same type of relationship as exists between the Ministry of Energy and Ontario Hydro.

**Mr. Martel:** Oh my God, a Socialist Tory.

**Mr. Havrot:** The honourable member liked that. I knew this would really turn him on.

**Mr. Martel:** We have been advocating it for years.

**Mr. Havrot:** The member has been advocating nothing.

I have been quite impressed by the record of a similar organization in Quebec known as Soquem. The Société québécoise d'exploration minière was formed by the Quebec government in 1965 with an initial capital investment of \$15 million.

Interjections.

**Mr. Havrot:** Wait until I get around to it; then the honourable member will see whether I am a progressive red Tory or not.

Since then an additional \$67 million has been added. Soquem works alone or with other economic development agencies. It has the mandate to collaborate in the exploration of minerals and can buy or sell mining properties. Soquem's joint ventures with private or state enterprises are very flexible. Associates can share in exploration and development while sharing the risks. The company specializes in exploration only because its charter does not permit exploitation of the mineral deposits.

Interjections.

**Mr. Havrot:** You advocated that.

Soquem's search for associates centres on the capability of a partner that will eventually be capable of managing the development. The company has three objectives: to work with other companies, to speed up exploration of Quebec's territory and, most important, to stimulate the mining economy. All of these



objectives are being met. Soquem has initiated developments in copper, columbium, salt, potash, zinc, gold and uranium and is now starting to show a modest profit. However, the biggest returns are the new jobs and new municipal developments which have resulted. Certainly, the increased corporate income, which is taxed, is also beneficial to the Quebec government.

I hope the new Minister of Natural Resources (Mr. Pope) will give this resolution some consideration. I know that his home community of Timmins was founded on mining and exists today because of that industry. I am also aware that he himself has worked underground and that a member of his family is employed by Texasgulf.

Interjection.

**Mr. Havrot:** You should try working in the mine.

**Mr. Martel:** I did.

**Mr. Havrot:** There is little or no doubt that the city of Timmins and its citizens would support this resolution, as would other communities throughout the north. It is a well-known fact that the Federation of Northern Ontario Municipalities has supported this idea for some time.

Recreating the ministry of mines would do much to reduce northern alienation. It would signify a renewed effort to give the north some economic momentum; but much more than that, it would give recognition and support to this essential industry of northern Ontario.

**The Deputy Speaker:** I would just like to bring to the attention of the House—Mr. Martel, I am not sure of the interjection, but I think I do not have to remind you that it is unparliamentary to make any kind of statement in terms of other members misleading the House. I cannot say whether that was stated or not. I would just remind other members of the House that such statements are frowned upon by the chair.

**Mr. Eakins:** Mr. Speaker, I am very pleased to have the opportunity to participate in this debate this afternoon. It will be interesting indeed to see how the government members vote on this. I recall when I suggested the possibility or the feasibility of a separate ministry of tourism, tourism being our second largest industry in Ontario, I know the Premier (Mr. Davis) and a number of cabinet ministers suggested that we would be simply creating another level of bureaucracy and simply another ministry, but with a realignment of ministries I believe this could be brought about.

I am glad to see that someone on that side of the House has finally become concerned enough about the recent steady decline in mineral exploration and lack of new mine developments in this province to be compelled to introduce this resolution calling for the re-establishment of a separate ministry of mines. As the Speaker may recall, this was the case in Ontario until 1972, when the government combined the separate Department of Lands and Forests and the Department of Mines to create a Ministry of Natural Resources.

We in this party are pleased to see that the honourable member who has proposed this resolution has realized the benefit of such a move and has taken a leaf out of our policy on the mining industry. We are thus supporting this resolution. In fact, during the past election campaign we in this party promised that a Liberal government in Ontario would move to strengthen the economic viability of the mining industry in this province through a number of initiatives, one of which is the creation of a ministry of mines and the establishment of a comprehensive mineral policy for the province. We believe such a move is necessary.

Ontario has been a major producer of precious metals and is still blessed with an abundant supply of them, along with nearly every other metal required by a modern industrial society. Metallic mineral production in Ontario in 1979 was worth some \$2.5 billion and total mineral production was 3.3 per cent of the gross provincial product. Surely an industry of such importance warrants a separate ministry.

We believe, along with many other groups in our society, that the present Ministry of Natural Resources has failed to meet the needs not only of the mining industry, but other areas under its jurisdiction as well. A ministry whose responsibility it is to promote resource exploitation, while at the same time trying to promote resource conservation, is unacceptable to either group. This patchwork approach works against the best interests of Ontario and its people.

4 p.m.

No doubt the member who has proposed this resolution has realized that in the past few years the mining aspect of the portfolio of his government's Ministry of Natural Resources has not received the attention it deserves. And he is perfectly right. Between 1971 and 1980, some 30 mines closed in Ontario. While some 44,470 people were directly employed in the mining industry in 1971, there were only 38,600 employed in 1978, a decrease of some 5,870 workers.



An important early warning indicator of the health of the mining industry in Ontario is the level of exploration activity. According to this indicator, Ontario mining can anticipate a continuing decline in the future. Exploration and development expenditures in 1971 constant dollars went from \$14.5 million in 1972 to \$7.8 million in 1979. A recent Department of Energy, Mines and Resources regional profile report last year on the Ontario mining industry stated:

"The major concern affecting the mineral industry is the lack of new mine development in the province. No new mines have been brought on stream in Ontario for some years and there is little development activity at the present time. Indicators of exploration activity, such as annual diamond drill footage and claims staked, have also been declining for some years."

Another federal government report on Canadian mineral deposits not being mined in 1980 listed 376 known deposits of minerals in Ontario which were not mined or slated for production in 1981.

We had a trade deficit in mining machinery in Ontario of \$250 million in 1979. This trend must be reversed. We are very concerned, as the member who introduced this resolution must be, that in the past decade very few mines have been found in Ontario and two of the largest were found by foreign corporations. During the past few years prices of all metals have escalated more than in any previous 50 years. Yet there has been no boom in the mining industry in Ontario. Many are wondering why. An analysis of production statistics published by the Ontario Ministry of Natural Resources over the 30-year period from 1951 to 1980 for the seven major metals, which account for 93 per cent of the value of metals produced, indicates a downward trend in the last five years.

This trend is not evident in other provinces which have made efforts to step up the level of mining industry activity. In Quebec, for example, there are 10 new mines that will be coming on stream in the next year or so and at least 20 mines are forecast to open up by 1985. Quebec has taken a number of initiatives to aid its mining industry. It has established a provincial development corporation that is involved in joint ventures with private companies and pays part of the exploration costs or is involved in exploration itself. To alleviate financial difficulties for Quebec-based junior exploration companies, the Quebec Securities and Exchange Commission has adopted new rules for the

listing of junior mining exploration company shares. Junior mining exploration companies now constitute a distinct category.

As I have already stated, we in this party support this resolution calling for the creation of a ministry of mines to aid our ailing mining industry. There are, however, a number of other initiatives we in the Liberal Party have called for that would help re-establish Ontario as the largest mineral producer in Canada.

I would hope the member who introduced this resolution would urge his government to move in several areas. One would be to negotiate a federal-provincial agreement on resource taxation with a reasonable ceiling on total taxation to stabilize the system. This would replace the present process of budget-by-budget changes in taxation.

Financing for junior mines in Ontario should be encouraged by means of a revision of the Ontario Security Commission's regulations. In order to encourage mine exploration, more airborne geophysical surveys should be carried out on geophysically favourable areas for the use of mining companies.

The government should insist on increased secondary and tertiary processing of ores mined in Ontario. As part of an Ontario industrial strategy, it should develop a mining machinery industry based in northern Ontario.

It should introduce legislation to provide that the staking and recording of a mining claim is sufficient title to begin a small-scale mining operation—

**The Deputy Speaker:** You have approximately a minute and a half left.

**Mr. Eakins:** —after all reasonable safety and environmental concerns have been taken into account. Without such legislation, many small mineral deposits would never be mined due to their limited size. In order to encourage mining exploration, the government should establish a program similar to that existing in Quebec, which provides for joint government funding of certain ventures in the early stages of mine development. I am pleased to speak in support of this resolution.

**Mr. Laughren:** Mr. Speaker, I must say I am fascinated by this resolution from the member for Timiskaming (Mr. Havrot). He wants to turn the clock back to 1972 and beyond. Let me tell the members that one reason we are not going to support this resolution is that, up until 1972, the kind of gamesmanship that went on between the mining industry and the ministry of mines in this



province was a disgrace. The best word to describe it is coverup. I shall never forget the shenanigans that went on between Elliot Lake and the ministry of mines, the Workmen's Compensation Board and the Ministry of Health in this province. It is to the everlasting shame of this government what was allowed to happen—and I emphasize the word allowed—at Elliot Lake to the workers employed in the Rio Algom and Denison mines.

The member for Timiskaming says that mining is our largest employer and largest producer. When I look at the number of employees in mining—and I look at it over the last few years; it is hard to get the number of employees up to date now, because the Ministry of Natural Resources does not keep its figures in a constant way over the years—what is happening is that the number of tons of ore is going up, and the number of workers employed in the mining industry is going down. I personally would have no objection to that; that is what automation and mechanization are all about. It makes the mines more productive. But guess where they are buying the mining machinery? Not in this province; not even in this country. And this government sits on its collective hands and does absolutely nothing about that problem.

The number of people employed in the mining industry is less now than it was 15 years ago. If the member does not know that, he simply has not done his homework. He says it is the biggest revenue producer in Ontario. I believe I heard him say that. That is probably the biggest condemnation of this government, if all that comes to mind is the revenue they get out of our minerals. I ask members to compare the revenues from the mineral sector of this province with the revenues Saskatchewan gets from its mineral sector. It is a disgraceful comparison for Ontario—an absolutely disgraceful comparison. I will tell the members something: Saskatchewan did not get that revenue either until its government had the common sense to take the key resources into the public sector and get a proper return for the people of Saskatchewan. That is not going to happen in this province until this government takes the same kind of action.

Their return is almost six times the value—the return based on the value of production. The member sits back there and smirks about the kind of pathetic return we get from our resources. When I look at the return that even Inco gets from the resource; that company, for heaven's sake, gets more than we do, and we have all the

resources in the province. Between 1974 and 1978, Inco's net income averaged \$172 million. The province's mineral revenues averaged \$65 million a year. It is a lot higher than our return on the investment.

The member may think he knows something about mining in Ontario, but if he thinks we are getting a decent return he is displaying his ignorance as no one in this House has done. I look at the exemptions this province gives to the mining industry. At the last count, there were 23 exemptions to section 113 of the Mining Act. Come on, where are all these smart people over there who even know what section 113 is? They sit there like a bunch of dummies. They do not even know what section 113 says, that minerals must be processed in Ontario.

The government gives companies all the exemptions they want. Falconbridge has been in Sudbury for almost 50 years. They still send all their ore to Norway for processing. Do members really think that is right? Do they really think that makes any economic sense at all? Not a whit. They are not a small enterprise. They are part of the huge Superior Oil empire from Houston, Texas.

**4:10 p.m.**

This member, who would be a minister, comes in here and proudly beats his chest about the ministry of mines. I want to tell you something, Mr. Speaker. I would not want the mining industry to have any more of the attention of this government than they it has now. The last thing we need is for the industry to have their minister in the seat. This is nothing but a lobby by the mining industry. The member from Timiskaming has been lobbied by the mining industry.

I know. I have heard their pronouncements. I have been at their convention. What they say is, "We want our own ministry of mines," and here comes the flunkey for the mining industry, Ed Havrot from Timiskaming. "Okay, fellows, tell me what you want." They say, "We want our own ministry, that is what we want," and in comes Eddie Havrot, fresh from receiving his orders from the same people—

**Mr. Havrot:** Nonsense.

**Mr. Laughren:** Let me tell you who has got the exemptions to section 113. Do you think they are all small enterprises that are just trying to get started and need the exemptions? Oh, sure—Inco, Rio Algom, Falconbridge, Teck, Texasgulf—these are the small entrepreneurs, struggling as they are to be free enterprisers, who are

asking and getting the exemptions. There really is an unholy alliance between this government and the mining industry.

I know it did not bother the member for Timiskaming when Mr. Keith Reynolds retired after a long career in the civil service in Ontario. He is barely out of his chair as a deputy minister—a very major deputy minister in this government; I believe he was a deputy to the Premier at one time—and there he is on the board of directors of Rio Algom.

**Mr. Havrot:** He is a smart man. That is why they went after him.

**Mr. Laughren:** Yes, he is a smart man. I am not questioning his intelligence. I am just telling the member I do not like that.

**Mr. Kolyn:** How about Tommy Douglas?

**Mr. Laughren:** There is no blemish on Tommy Douglas' record and there are a lot of blemishes on this government's record. Look at this government. Yes.

Interjections.

**Mr. Laughren:** If the member really wants to get mean, I could give him some examples of what this government has allowed to happen to workers at Elliot Lake. There is blood on the collective hands of this government and I mean every word of that.

I will substantiate that. There was information flowing into the Workmen's Compensation Board about cancer claims being fed over to the Ministry of Health, and guess what this government did about it? Absolutely nothing. It fought every inch of the way against justice for the miners at Elliot lake. To this day this government will not recognize workers who get cancer from the sintering plant in Coniston. Oh yes, if they get cancer from the sintering plant at Copper Cliff they are recognized if they have worked there for six months or a year. But at Coniston, oh no. Every step of the way it is a fight. With the asbestos, every step of the way is a fight.

And there is the man right there. I am glad the member for Kenora is here, because if anybody should assume the major part of the responsibility for the problems that miners have had in this province, it is the member for Kenora, who is now the Minister of Northern Affairs. He knows it too. He knows it full well.

Mr. Speaker, I want to say—

**Hon. Mr. Bernier:** Mr. Speaker, on a point of privilege—

**The Deputy Speaker:** Point of privilege, please, Mr. Laughren.

**Mr. Laughren:** I doubt it.

**The Deputy Speaker:** Let us hear the point of privilege.

**Hon. Mr. Bernier:** I really cannot accept that remark, because if the honourable member was honest and fair he would put on the record that it was this minister who brought in the Ham commission—and not at the request of that particular party. The Royal Commission on the Health and Safety of Workers in the Mines was brought forward by myself. It has corrected the problem. Let the record show that.

**The Deputy Speaker:** Mr. Laughren, you have approximately three minutes left.

**Mr. Laughren:** I am hoping you will add that time on.

**The Deputy Speaker:** I have. It was a minute and I have allowed two extra minutes.

**Mr. Laughren:** Thank you. That minister is protesting his innocence a little too much and he knows it.

We are not going to support this resolution for a number of reasons. One, we are not in favour, unlike the Tories, of a bloated government bureaucracy. I heard the leader of the Liberal Party say that if they formed the government they would reduce the number of ministries in the province. While they are going to do that they are also going to create a separate ministry of mines and a separate ministry of tourism. I do not know what they are cutting out. Maybe some day they will explain it to me.

Two, we will not support this resolution because we do not believe the industry should have its own ear in the form of its own ministry, and that is what it would be with this government.

Three, I recall where the mine inspectors invariably came from—the same industry they were to inspect.

**The Deputy Speaker:** The member had better make number three fast.

**Mr. Laughren:** Finally, there need to be conflicts within one ministry. This is probably more important than any other reason. There need to be competing attentions to whatever is out there—for example, the air, the water, the land. It is much healthier to have parks and recreations in the same ministry as mines and in the same ministry as forestry, so that we have competing demands on the same resources. Otherwise, the ministry of mines would tend to win more often than it loses and forestry would suffer, parks and recreation would suffer. Our land, water and air would suffer as well.

So we are opposing this resolution. We never again want to see a minister of this government



be the kewpie doll of the mining industry. We will always be opposed to that. When we form the government—

**The Deputy Speaker:** This will be your last statement, Mr. Laughren.

**Mr. Laughren:**—there may very well be a need for a ministry that will look after not just mines but our entire family of crown corporations that will exploit the resources of this province properly, keeping in mind the environment and keeping in mind the health and safety of the workers who are employed in the industry. For those other reasons, we cannot support the resolution.

**Mr. Gordon:** Mr. Speaker, I am truly shocked to hear the member for Nickel Belt say that when they form the government they are going to create not only a ministry involved with mines but they are going to have one great big umbrella ministry. I think that smacks of real statism and I cannot agree with something like that.

To suggest for one minute that because someone is a minister of a particular department he is not interested in the people of this province is really a slur. I think it is a slur this House cannot ignore.

In my previous political occupation I had the opportunity of meeting and talking with people from all walks of life throughout northern Ontario. If there is one theme that came through loud and clear it was the belief that the rest of Ontario did not realize the tremendous potential of northern Ontario when it came to mining and the secondary industry that should be in place next to it. It is almost as if there were a curtain separating the north from the rest of Ontario once we reach Barrie.

A ministry like the Ministry of Natural Resources is like a mother with 10 children. As much as she loves each one of them and wants and tries to do the very best for each, she cannot give each child the attention she knows would be possible if there were only four or five. To be more specific, when one considers that mining is without question one of the cornerstones of the Canadian economy, and approximately 42 per cent of Canada's entire mining output is from Ontario, it is grossly shortsighted to ignore the full potential of that industry, the people who work within it and the communities that are dependent upon it, by having mining a branch of a ministry.

4:20 p.m.

It deserves and requires much more thought and attention. Some historians claim man is almost predestined continually to repeat the mistakes of the past. While I can see a certain measure of truth in that theory, I believe we have the capacity to avoid many mistakes and to find more positive and constructive ways of ensuring a better future for our people.

While we know the north is rich in mineral resources, I believe it is incumbent upon us to see those resources are extracted in a way that is beneficial to all concerned. Minerals are a nonrenewable resource.

We must have policies that ensure resources are being extracted in the most conserving way, policies that ensure sufficient research is being done to maximize the future potential of Ontario's ores, policies that stimulate the mining instrumentation required to reduce the number of mine fatalities, and policies that progressively improve health and safety. I think it is wrong that we do not have a ministry of mines, a ministry that is going to look even more closely at safety within the mining industry.

**Mr. Wildman:** I thought the Ministry of Labour was supposed to do that.

Interjections.

**Mr. Gordon:** I would ask those people on the other side of the House to listen for a moment, because this is not a laughing matter and I can see them laughing. Listen to this: Mining fatalities in 1975 were 10; in 1976, 22; in 1977, 13; in 1978, 12; in 1979, nine; in 1980, 19. In 1980-81, as of May 13, there were seven. We cannot ignore the mining industry if we care at all about the people of Ontario.

**Mr. Laughren:** What are you doing about it?

**Mr. Gordon:** We cannot say, as the members of the New Democratic Party on the other side are saying, "Ignore the mining industry, ignore the people who work for the mining industry, ignore the communities that depend upon that mining industry." That is their attitude. They are not interested. They are very cynical to sit on the other side of the House and laugh when statistics like that are being given.

We need policies that recognize the potential for the development of mining related industries in communities large enough to provide the amenities of life for those who would work in those fields, policies that ensure the highest possible value is added to Ontario's ores, policies for future development. We have to look closely at the mining industry. It is much too important to the people of this province.

I am aware some of these issues are being addressed at the present time within the Ministry of Natural Resources. However, I find it hard to believe an industry of the size and scope we are talking about is being given the consideration and due it deserves.

Contrary to what some people on the other side think, northerners believe that in the large mining centres our resource strength can be used as a building block for industrial development. What it is going to require is the resourcefulness of a ministry of mines, as well as the Ministry of Industry and Tourism, that is fully aware of the thousands of products and services used by that mining centre. There is a great deal of work that is going to be required of the ministry people involved. It only seems logical that those who know the mining business best should be given a major role to play in this regard.

For example, in the Sudbury economic area, which in my view stretches from Elliot Lake to Sudbury and encompasses a portion of the north channel of Lake Huron, there is more than sufficient mining and smelting activity within that area to generate the kinds of supply spinoffs necessary to initiate the manufacturing related to mining.

I think it is a generally accepted fact in our society that governments respond to public wishes and expectations.

**Mr. Wildman:** You really try to have it both ways.

**Mr. Laughren:** Are you going to say this in Sudbury too, or just in Toronto?

**Mr. Gordon:** They do not want to hear the truth because they believe they are the only ones who can speak for the people. That is why they keep interjecting. That is why they do not want to listen to me today.

**Mr. Laughren:** Mr. Speaker, on a point of privilege: could I ask you to insist that the member for Sudbury promises to say the same thing in Sudbury as he says here for a change?

**The Deputy Speaker:** I will do that, Mr. Laughren, if you will comply by not being so provocative.

**Mr. Gordon:** Mr. Speaker, I have absolutely no problem with that, and that is what bothers those people, because they believe they are the only ones who can speak for the people.

The public in Sudbury have seen local entrepreneurs, metal fabricators in particular, develop specific items for the mining industry that are being used on a daily basis. They have

seen that it is possible, feasible, to produce roof bolts, grout plugs, et cetera for the mines. Unlike some Ontarians the people of Sudbury and the north have not lost their vision of the potential promise of this great province. We truly expect and believe that there is much more that can be done to foster and develop manufacturing and instrumentation related to mining.

I detect at times a negative attitude in this province with regard to our ability to compete with other manufacturing countries. It is a counterproductive attitude. However, I can tell members this is not generally the attitude of people who live in northern Ontario. Northern people have successfully overcome most of the obstacles presented by both nature and man, and, as a result, they have even higher expectations of our capabilities as a people.

Oh yes, there are some people sitting in the opposition today who have taken ill with the disease of intellectual snobbery. They think that only they have the ideas, and no one else. Fortunately the people are not easily fooled. They recognize that some politicians have a propensity to forget after a number of years when and where they first heard the idea that they are espousing. But they do not want to give that credit to the people. They say: "It is my idea. I was the first one who ever had that thought." Next they will want us to believe that they are the Lord. Well, they are not.

We are not here today to discuss intellectual snobbery. The issue is whether or not we should have a ministry of mines, and I will try to confine my remarks to the subject at hand if I am not interrupted again.

**The Deputy Speaker:** Within one minute.

**Mr. Gordon:** Mining companies, according to a report done by Goldfarb Consultants, have a number of problems with the public.

First, their image as corporate citizens leaves much to be desired. I do not believe, nor do the people of Sudbury believe, that it can be improved through advertising. As far as we are concerned the most important element in determining a company's image as a corporate citizen is its attitude towards its employees. If a company consults and truly listens to its employees and, as a result, improves the climate of the work place then it is well on its way to developing a positive public image. As well, if the company is seen to be doing everything it can along with other community leaders to help diversify the local economy then it can expect to develop a much more positive and productive image as a corporate citizen.



A good corporate image cannot be achieved through advertising if you are an Edsel. It is unfortunate that the importance and prestige of the mining industry is being pulled down by a few companies which fail to realize that the vital profitability they seek is being jeopardized by poor employee and community relations.

**The Deputy Speaker:** Thank you very much, Mr. Gordon.

**Mr. Gordon:** Mr. Speaker, I would ask for one more minute.

**The Deputy Speaker:** I am afraid not.

**Mr. Gordon:** I do not believe there is anyone—

**The Deputy Speaker:** Mr. Gordon, order, please. I have been extremely lenient, believe it or not, and under time constraints the debate is almost at its conclusion. We will still try to get another round of debate.

You are standing up, Mr. Gordon. Please be seated. Thank you very much. Your debate is concluded.

**Mr. T. P. Reid:** It is always enjoyable, Mr. Speaker, to listen to a fellow Liberal, even if he happens to be sitting across the floor on the back benches of the Conservative Party.

I must say this has been an interesting debate. We have my friend the member for Nickel Belt (Mr. Laughren) saying that he and his party will vote against this resolution because they are against a bloated bureaucracy and they do not want to see any more civil servants. I do not know how he squares that with the fact that the Socialists want to nationalize the mining industry in Ontario, Canada and the world and have no one but civil servants running everything—but then he squares being a Socialist with his own conscience, so I suppose that is possible.

Interjections.

**Mr. T. P. Reid:** Mr. Speaker, I am speaking as the leader of the Liberal-Labour Party in the Ontario Legislature. I want to put another comment on the record—before I get into the meat of what I am going to say today—in regard to what my friend the member for Nickel Belt said about how the mining industry and the government or the then department of mines were in bed together or hand and glove and there was a great conspiracy about many things.

4:30 p.m.

In the last few years I have had the opportunity to meet a number of people in the Ontario Mining Association at the dinners they host every year and other events, and I have been struck by nothing so much as the fact that the

people in the mining industry as a whole are, if I may say, very politically ignorant. They do not know how the system works. They are people who have come from a background, particularly in engineering, where they have specific goals and objectives to meet and they have been trained to meet those goals and objectives. They can see and plot a course on how to get the ore out of a mine, produce it at a reasonable cost and sell it at a profit. The whole political aspect and political system in which they live is very foreign to them in many cases.

Their biggest complaint is usually that all three parties in this Legislature, and the government in particular, do not understand the mining business, that there is somewhere a group of civil servants making decisions in a back room aimed directly at messing up their operations in the mining industry in general. It is a frightening thing to come to the realization that, in fact, very few of the people engaged in running multi-million dollar corporations have a better understanding of how the political system works in Ontario. Really, it was a shocking revelation to me.

**Mr. Laughren:** They know very well. As a matter of fact they run it. They run the Minister of Northern Affairs.

**Mr. T. P. Reid:** I disagree with the member for Nickel Belt. As a matter of fact, I heard a number of them say they did not care very much for the Minister of Northern Affairs because they felt he was doing them dirty on occasion. I said I did not care much for the Minister of Northern Affairs either, but for a different reason.

The point is that in northern Ontario mining is one of our biggest employers and certainly one of our biggest earners of revenue. Yet this very important part of life in northern affairs is only a very small fish in the Ministry of Natural Resources. As a matter of fact, the average person on the street, if asked what the Ministry of Natural Resources did, would say they look after the moose and the fish. People really do not understand the resource section of the Ministry of Natural Resources, particularly forestry. On a graph of what is important in that ministry, forestry would be number one, game and fish would probably be number two, and mining would be somewhere down at the bottom.

Given the importance of mining to the Ontario economy, given the fact that the mining industry does not have the importance to the government it should have, it is obvious we need a

separate ministry of mines. It was interesting to hear my friend from Sudbury, who just spoke, criticizing his own government for its lack of response and attention to the mining industry. The member for Timiskaming stole part of my speech when he went through the phone book. It is interesting to see that most of the mining section is over on Grenville Street, although our friend Mr. Jewett is on the same floor as the ministry.

I think part of the problem is that the mining industry is fairly esoteric. A few years ago we passed a bill in this House dealing with mining taxation. With the exception of myself and Tom Mohide, who runs the mining assessment division within the Ministry of Natural Resources, there is nobody who understands mining taxation in Ontario—and we do not agree. It is a very complicated and complex matter.

When one talks to most civil servants within the Ministry of Natural Resources about the mining industry, their eyes sort of glaze over and they shrug their shoulders and say, “Well, that is not really my division.” We do not even have an assistant deputy minister responsible exclusively for mining in Ontario. That at least would be a first step in bringing to bear the intentions of the mining industry in the province.

It was interesting that the new Minister of Natural Resources (Mr. Pope), in his first official speech at his first official function as minister, said to the Ontario Mining Association two weeks ago, in effect: “We know we have been neglecting the mining industry, the concerns of the mining industry itself, the communities and so on, and we intend to change that. We are going to have a one-window approach.” This is a phrase that always gets me; I conjure up burglars coming in the side windows or the back windows or going out with the silver. I am not sure what that means.

However, it is interesting that the minister himself, and obviously the officials in his ministry, would make that one point in his first speech; that the mining arm of the government or the Ministry of Natural Resources was going to get more attention.

Mr. Speaker, as you know, in the last couple of years, two mines in my constituency, Steep Rock and Caland Ore, shut down. The response from the Ministry of Natural Resources to those shutdowns was interesting. I was a little disappointed to say the least that there was not more initiative shown by the mining section in regard to those shutdowns, by providing information,

surveys and inspection reports, and dealing with those shutdowns and a few more that have occurred in Ontario.

It seems to me that the mining section, as it now exists, is completely reactive to any problems that may or may not exist. Almost every other branch of the Ontario government has people of varying competence to assess what is going to happen in the near or distant future, and there are people to initiate and take action before a crisis or calamity happens.

As I said, I was disappointed. I feel it is partly because mining is looked upon almost as the illegitimate child of the Ministry of Natural Resources. It is time that mining took its rightful place and became a ministry of its own, as the Liberal Party suggested in the last election.

**The Deputy Speaker:** The member for Algoma. This debate will conclude at approximately 4:44 p.m.

**Mr. Wildman:** Mr. Speaker, I find it interesting that we are here to debate a resolution by the member for Timiskaming regarding the creation of one more ministry in this government. It seems to be the attitude of the government that whenever it finally realizes it has failed in a certain area, it establishes another administrative structure.

You will recall a few years ago, Mr. Speaker, that because of the efforts of my colleague the member for Algoma-Manitoulin (Mr. Lane), who is no longer present in the House this afternoon, in pointing out that the provincial government generally had failed its responsibilities in northern Ontario and that northern Ontario was being ignored, the solution was to create an all-encompassing ministry that would deal with all the problems of the north and would co-ordinate the function of the line ministries, respond to the government's responsibilities and carry out the services we need in northern Ontario. This ministry would somehow bring about the economic development and stability we need. That was the Ministry of Northern Affairs.

**4:40 p.m.**

All I can see from this proposal is that the member for Timiskaming feels both the Ministry of Natural Resources and the Ministry of Northern Affairs have failed to meet their responsibilities to the people of northern Ontario. If the government were doing what it was required and supposed to do in northern Ontario, we would not need another ministry.

I wonder where this will all end. I suppose if



we created a ministry of mines, the next thing would be that next year we would have some Tory member get up to say, "We need a ministry of moose," and then "We need a ministry of fish," and we would continue because all these things are not being dealt with by the Ministry of Natural Resources.

We all know the Ministry of Northern Affairs does not direct the budgetary expenditures of the other ministries, including the Ministry of Natural Resources. It is unable to deal with the economic problems of the north.

What is really missing and what we need from this government is not more ministries and not more administrative structures, but the political will to do something about economic development in northern Ontario. What we need is a real commitment because, as other members have said this afternoon, we have an enormous potential in the north. Our minerals produce approximately \$2.03 billion in revenue to the private sector. Ninety per cent of our annual ore tonnage is extracted north of the French River. If we have the ministries that are supposed to be responsible for dealing with this industry, why do we need another one if we believe they have not failed in their responsibilities?

I find myself in the strange position of agreeing with the member for Timiskaming in the sense that this government has indeed failed to give the leadership required in northern Ontario. All we have to do is look at the record in Atikokan and Capreol to realize this government has not responded to development needs in the mining sector. We know this government sat by and did absolutely nothing about the situation in Atikokan.

We believe we need a government that will assume a direct, positive and aggressive role in the mining sector. We need comprehensive planning and we need public ownership. I find it rather strange, but again I agree with the member for Timiskaming that we do need to move to crown corporations—but they need to be a little different from the one he is proposing. We do not need crown corporations that are just going to do the exploration and socialize all the costs, but ones that are going to provide a return for the people of Ontario, a return that could then be used for reinvestment and further expansion through joint ventures and direct investment by that crown corporation.

Such a mining development corporation could have ensured the Bending Lake iron ore deposits were developed rather than left to sit while Atikokan was shut down. Rather than the

passive and weak-kneed approach of this government, we need a government that has the will to respond to the needs of the mining communities of northern Ontario.

We could finance this if we would just look, as my colleague said, at the situation in Saskatchewan where they have a booming mining industry. I am not talking about fuel; I am not talking about the oil and gas sector. Just in the mineral sector they get almost six times as much revenue as in Ontario, which can then be used for reinvestment, expansion and to provide jobs.

Why can we not do that in northern Ontario? Why can the Ministry of Northern Affairs and the Ministry of Natural Resources not co-operate to do something? I submit the reason they cannot is because this government does not have the political will to become directly involved in the mining sector and actually to develop northern Ontario.

#### PROVINCIAL APPOINTMENTS

Mr. Spensieri moved resolution 4:

That in the opinion of this House the procedural affairs committee should undertake a study of all provincial appointments made to agencies, boards and commissions, as well as to senior levels of the public service, which would determine whether the social and ethnocultural diversity of the population of Ontario is reasonably reflected in those appointments.

**Mr. Spensieri:** Mr. Speaker, the resolution I have proposed to this House calls upon the procedural affairs committee to undertake a study of the composition of Ontario's important decision-making bodies and the senior echelon of the civil service to determine whether appointees thereto reasonably reflect the social and ethnocultural diversity of the population of this province.

**Mr. Piché:** On a point of personal privilege, Mr. Speaker: I also was supposed to speak on the subject of the ministry of mines. I was on the list and I am just wondering what happened.

**The Deputy Speaker:** Unfortunately, the time for the debate ran out. It concluded at 4:44 p.m. We are continuing now with the second ballot item.

**Mr. Piché:** And I stayed up all night to prepare this.

**Mr. Spensieri:** To continue, Mr. Speaker: When the luck of the draw handed me the number two position for private members' business, I must confess my first reaction was one of positive shock at the thought that I, a brand new

member, should be attempting so soon to persuade members opposite on so delicate an issue. However, the overwhelming sense of confidence that overtakes one after having logged more than 20 minutes of speaking in this House in reply to the throne speech and the knowledge that I would be sharing this time for private members' public business with the member for Timiskaming (Mr. Havrot) have since emboldened me in my resolve to try.

I also considered it the work of providence that the member for Timiskaming, whose unguarded remarks in this House about my Italian-Canadian confreres were made some two years ago, should now be followed by me. I would like to assure the honourable member—and I wish he were here—that we will keep on coming in ever increasing numbers until this House reaches its fair quota for that particular community and all others; a perfectly cheerful thought for the honourable member, I am certain.

I speak of quotas quite facetiously and with tongue in cheek, for in my resolution I am not calling for the institution of any type of quota system. Rather, I am seeking the establishment of the principle of reasonable representation, equitable representation and simple justice in determining the composition of the more than 600 agencies, boards and commissions and of the senior civil service, institutions that in many respects have by far outstripped this House in importance and are perceived by the average constituent as the only visible presence of his or her Ontario government.

Nor am I naive enough to call for a nonpartisan approach to appointments since that would be unrealistic, in the light of Ontario's politics today, and merely window dressing, as was stated by many political commentators when Mr. Ziemba entered into his nonpartisan crusade less than a year ago.

Merit must always be the basic determining factor; we are committed to that principle. However, the search for appropriate individuals should be widened to include members of all elements of society regardless of their political allegiance or their particular ethnic or cultural background.

Over the years the enormous growth of this extra parliamentary level of government, ultimately responsible only to the Premier (Mr. Davis) and his cabinet, has had a tremendous and far-reaching impact upon our daily lives. Today there is a widespread perception among Ontarians that our citizens are helpless and

alienated from the bureaucracy that was intended to protect their interests. Voter turnout in the recent election, which was the lowest in Ontario's history, reflects this remarkable feeling of apathy and helplessness.

Please try to imagine, therefore, Mr. Speaker, the feelings of the so-called third force, that segment of the population that is not in the mainstream of Anglo culture and recently has become more visible because of its skin colour and how alienated its members must now feel.

**4:50 p.m.**

These people perceive they are second-class citizens and not truly part of the mainstream when it comes to appointments. They represent in excess of one third of the population of Ontario and more than 40 per cent of the population of Metropolitan Toronto, according to the 1971 census. These percentages will undoubtedly rise, as the *Star* suggested during the election campaign, to 70 per cent of Metro residents when the 1981 census is tabulated.

I believe it is incumbent upon every member of this House to recognize, as a matter of simple justice and democratic obligation, the need to ensure that all Ontarians, and not merely the "traditional elements of the population," are recognized as fully participating members of our society.

The resolution before us provides us an opportunity of using one of the most important vehicles for fair and democratic representation available to any parliamentary system: the machinery for making appointments. If the citizens of Ontario could honestly believe there is no covert old-boy network determining the composition of government at the senior levels on traditional lines, then they could more easily perceive themselves to be a part of the structure that governs this province.

There was some difficulty in developing an accurate picture of the composition both of the senior level of the civil service and of the various boards, agencies and commissions. The basic data were derived from a list of appointees whose names may indicate only their paternal ancestry, or that they may have changed their names or had their names changed for them.

But the most important data were the widespread feelings among the ethnocultural communities of nonrepresentation. Yet in the course of my research on this resolution I did discover some very startling data illustrating the importance of reasonableness. Simply because it was much easier to determine gender from the information available, and because no one,



except some members opposite, might feel differently, I would draw to the attention of members the appalling situation with respect to the number of women at the senior levels of the civil service.

Of 52 appointments announced by the Premier's office to boards, agencies and commissions during the last six months, only eight were women. All 21 deputy ministers are male and only one out of 42 assistant deputy ministers is a woman. I bring this information to the House because it so graphically demonstrates the necessity for a thorough study of the composition of the civil service with respect to adequate representation of all segments of Ontario society.

The members of the ethnocultural communities perceive themselves to be under-represented, and that is the crux. They are consequently prime candidates for the lack of esteem, alienation and helplessness that I spoke of earlier. The crux of the matter is that the ethnocultural communities will no longer be satisfied with patronizing pats on the head from their elected officials or token cheques handed out during election campaigns, as the Premier flits about from one community centre to the next.

We no longer wish applause for our traditional and quaint costumes or folk dances. We now ask to be an integral part of the appointments and of the appointees that govern this province, and the beneficiaries of high positions that should be in the public domain and not in the elitist domain. If we are truly servants of the people, if we are fully committed to the best interests of Ontario, we must lose no opportunity to use every method available to increase the sense of belonging and of full participation of each member of our society.

The Premier and his ministers travel around the province meeting with this and that ethnocultural community, exchanging platitudes of laudatory congratulations for their accomplishments. Members opposite will recognize phrases such as, "Your community strengths and richness have contributed to the diversity we treasure so highly." The people listening enjoy it; they need that public congratulation, and I applaud the government for doing this. But in the final analysis they remain simply words, and what this province needs is action and representation. I believe it is time this government recognized the realities of this province and acted upon them.

Are there any deputy ministers who have a heritage or identify with any culture except the mainstream one? How many deputy ministers

are there? I challenge the government to find one; if there is one, then to find two, or three, until there is a reasonable representation of the province of Ontario at all levels and for all peoples.

It is this study, I would remind the Speaker, which I propose for the procedural affairs committee. This is the challenge that I and my party issue to the members opposite. I know that during their policy and strategy sessions the members opposite may have come to a consensus to vote against all measures initiated by the opposition benches. I am asking in this resolution for a study to see whether the perceived level of inequity exists. If it does exist, then the procedural affairs committee will recommend ways of dealing with it. I would therefore move that this motion be adopted.

**Mr. Grande:** Mr. Speaker, I rise to support the intent of the resolution that is before the Legislature this afternoon, even though I think it is a very weak resolution, to say the least. Perhaps because it is a weak resolution the Progressive Conservative Party will allow it to go through; because it is a weak resolution it will just be another demonstration of the tokenism that the people on that side are very capable of showing at all times.

I sense, as I said, that the resolution is not so controversial that the people opposite will kill it this afternoon. However, I do hope the member for Timiskaming (Mr. Havrot) will be outside this Legislature when the vote is taken, because otherwise, if he brings forth his gang of three or four—and maybe they have increased—there may be some persuasion behind the scenes that the Progressive Conservative Party ought to block this resolution; led, of course, by the member for Timiskaming.

I cannot imagine the member for Timiskaming feeling any kind of responsibility at all for hiring civil servants in a Progressive Conservative government who are going to reflect the nature of the province of Ontario, who are going to reflect the 30 per cent of the people in Ontario who have neither English nor French as their background. I cannot see that individual doing that. I cannot fathom the thought of that gentleman, when he leaves active politics, being appointed by the Premier of this province as the chairman of any of the boards or commissions in this province. May God help us.

However, the member for Timiskaming is certainly not the only one on that side of the House, because in the last two or three weeks we have heard of another distinguished member

of the Progressive Conservative Party by the name of Mr. Paul Fromm, who has very clear ideas about what the third element, the third force in our society ought to be and where its place is in our society.

**Mr. Rotenberg:** That is why he got kicked out.

**5 p.m.**

**Mr. Grande:** Whether he was kicked out or not, the fact is that the members opposite harbour people in their party who hold and who publicly state those opinions. That is a fact.

I will support the resolution, basically because it is a mea culpa as far as the Liberal Party of Ontario is concerned. When the constitution was being debated in this very same Legislature, six members of the New Democratic Party took the position of the multicultural society and suggested a new constitution ought to reflect the makeup of this country and of this province. As a result of that debate, and I am not going to suggest solely as a result of that debate, Ontario was able to bring forth to the federal government the thought that maybe the multicultural makeup of this province and this country ought to be recognized. There we find in a preamble, in a footnote I might say, that the makeup of the country might be mentioned in the constitution.

I say it is a mea culpa for the Liberal Party of Ontario because it was the education critic of that party who said the Conservative government was spending too much on the heritage language program and there should be a cap on it.

I also mention the Liberal Party because, of course, one cannot really understand what the Ontario Liberal Party might do. The only way one would know would be when Liberals are in power. And what do they do at the federal level? As a matter of fact, with respect to the member for Yorkview (Mr. Spensieri), if one takes a look at the record of the federal Liberal Party, it is not going to be any better than the record of the Conservative Party here in Ontario in terms of appointments and chairmanships of commissions, save, of course, for one particular body, the Canadian Consultative Council on Multiculturalism, all 64 members of which come from minority groups or from ethnocultural groups.

Ontario, and I am glad the former chairman of the Ontario Advisory Council on Multiculturalism and Citizenship is here this afternoon, follows in step with the federal government and institutes an advisory committee whose recommendations the ministers of Culture and

Recreation and of Education simply do not accept. In terms of the Ontario Advisory Council on Multiculturalism and Citizenship, I am waiting to find out who will be the next chairman, where the next \$40,000-a-year job is going to go, which ex-member of parliament or good Tory out there is going to have that position.

Let me say in the few minutes I have left that I accept the resolution; I support it. However, in 1979—I want to have my friend from Yorkview understand—a series of questions was put on the Order Paper to find out how the different ministries of this government really reflect the multicultural reality out there. The statistics given to me about two or three months later were really surprising.

For example, in the Ministry of Community and Social Services, out of 10,162 people employed, 728 are people who have the facility of speaking a third language, which means seven per cent. Is seven per cent reflective of 30 to 33 per cent of the population of this province? I do not think I need to answer that. Out of that seven per cent, 50 per cent are doing menial jobs within that ministry.

Take a look, for example, at the Ontario Provincial Police. Back in 1979, 290 out of 5,193 people were able to speak a third language, which means 5.5 per cent of the force—very good.

**Mr. Nixon:** How many could speak two?

**Mr. Grande:** Two to five languages, the question was here; only 28 were able to speak between two and five languages.

**Mr. Nixon:** You said three.

**Mr. Grande:** Anyway, out of the 5.5 per cent, 93 per cent of those were either constables, corporals or sergeants and only seven per cent had commissioned rank. So the OPP is certainly far from reflecting the cultural makeup of Ontario.

We should not kid ourselves; when the member for Yorkview brings forth this resolution and couches it in a studied format, he is really talking about power. I am sure the member for Yorkview is not naive enough that he would not know those people we may be talking about are the powerless in this province, so long as those people, those Tories, are on that side of the fence.

**Mr. Shymko:** Mr. Speaker, I would like to make reference first of all to some of the comments made by the member for Yorkview in the introduction to his resolution.

He stated at the very beginning he was



disturbed it was so soon that he had to speak on this resolution, a resolution he termed "overwhelmingly sensitive." I agree with him. I think he is speaking much too soon on an issue that is definitely overwhelmingly sensitive, because he has not done his homework properly.

I do not question his genuine concern. There is no one in this House on either side who would in any way question the spirit, the intent and the concern of that resolution.

I would also like to refer to another statement he made; namely, that there is a lack of esteem for our ethnocultural minorities. I think the way his concern is expressed and the procedure he is suggesting smack precisely of that lack of esteem. I think it is a form of arrogance and perhaps snobbery to upstage an already operating task force which is studying precisely what the member for Yorkview is stating in his resolution.

I would like, therefore, since he has not done his homework—

**Mr. Haggerty:** Were you chairman of that task force?

**Mr. Shymko:** I have not been the chairman of that task force and I have nothing to do with that task force, but I would like to quote from a recommendation from the Ontario Advisory Council on Multiculturalism and Citizenship. It, by the way, in contrast to the so-called Canadian Consultative Council on Multiculturalism, is appointed by order in council. It is not a ministry-appointed body, as the federal one is. It is made up of 57 members, I would remind the member for Oakwood, who represent every minority group and region in this province. They are people who have vast experience and are genuinely concerned about the very topic that is raised in this resolution.

**Mr. Grande:** Talk about the Ontario Economic Council. That is what I want to hear about from you.

**Mr. Shymko:** If the member for Oakwood would allow me to read it. Thank you. A recommendation of June 20 and 21 of the standing committee on social development said, "That appointments to all provincial advisory councils, boards and commissions include representation from the province's ethnic, cultural and native communities as one of the criteria in the selection process, and that the Minister of Culture and Recreation compile and maintain a talent bank of qualified individuals from various areas of specialization and experience to facilitate this process."

5:10 p.m.

I know there was a response from the government obtained in November of last year, which said the following in response to that recommendation:

"Within the three basic types of agencies to which the Lieutenant Governor in Council makes appointments—operational, regulatory, advisory—there are requirements for representatives of the public at large as well as for persons with specialized background or expertise. Given an underlying objective to obtain the best possible appointee for each position, and given that the membership of each of these agencies is relatively small, it is not feasible that appointments can be made primarily to provide representation to any specific cultural community or group of citizens.

"Nevertheless, it is to be hoped individuals who are able to contribute to the broad objectives of any of the agencies and who also enjoy respect and trust within their communities will continue to be available to serve. To this end, the council is encouraged to maintain and periodically submit through the minister an inventory of qualified and interested persons whose availability will be considered as appointments are contemplated."

I would like to continue and mention that in November 1980, in the projected plans of the activities of the council to which I made reference, there was a resolution to establish four task forces. One of these task forces is the task force on equal opportunities and access headed at present by Dr. George Woo, a Canadian of Chinese origin. It includes such people as Mr. George Corn and Mr. Chris Antoniou. I certainly would like to hear whether they consider these individuals to be some kind of political appointments. If they speak with them, I think they will be quite surprised by the views of some of these members.

I would like to read the mandate of that task force. Since the mandate of that council is to review government policies and services, this is what the task force on equal opportunities and access consists of: "The task force will review: (i) government appointments to councils, boards, commissions and agencies in Ontario, (ii) government employment and promotion practices, and offer advice on their policies of multiculturalism and citizenship."

That is the mandate. Further: "The task force will attempt to review certain selected councils, boards, commissions, agencies and ministries on equal opportunities and access as to the policy of multiculturalism and citizenship, by

studying reports and by interviewing. The recommendations will be formulated from interviews of both the involved groups and communities."

My impression is that in trying to upstage that task force—

**Mr. Grande:** Except that the minister will do nothing.

**Mr. Shymko:** They are qualified people. Mr. Speaker, do not let the member tell me they do not know what they are talking about; do not let him tell me they are not concerned about the issues. They are just as qualified as the elected members who would be part of a standing committee and I think we should give them a chance. Do not let the member make any insinuations that these so-called ethnics do not have the brains to come up with recommendations that would be any less intelligent or carry any less clout than the discussions, recommendations or conclusions of a standing committee. I think it smacks of a type of arrogance.

Members of the House will see there is a resolution by the member for Sudbury (Mr. Gordon) which states, "That in the opinion of this House the presently operating task force on equal opportunities and access, set up by the Ontario Advisory Council on Multiculturalism and Citizenship, which is studying provincial government appointments be extended full co-operation and assistance by government ministries and agencies and that the report of the task force be made public upon its completion."

I would have loved to see a resolution stating that once that report is tabled in the House it should be passed to a committee to study that recommendation, that would certainly make sense to me; but, Mr. Speaker, do not let the members opposite try to upstage a public task force made up of people who would like to have that type of esteem. Let us give them a chance to report and let us listen.

I would certainly agree to and support a motion by the member for Yorkview if it in fact would give these people a chance to report first and not upstage them for some political mileage that may be gained by this resolution.

Furthermore, I would like to point out that there is Bill 7, An Act to revise and extend Protection of Human Rights in Ontario. When one talks about appointments to senior service positions, if that bill passes it will ask every ministry to clean up its act. I quote part V, section 44: "This act," and I am reading it, "binds the crown and every agency of the crown." The honourable member should read

the act, do some homework. "Where a provision in an act or regulation purports to require or authorize conduct that is a contravention of part I, this act applies and prevails. . ."

We are talking about the primacy of a human rights code that will make damned sure there will be appointments to senior civil service positions that will not be bigoted and will not discriminate. So the honourable member should do some homework before he stands up. I certainly do not question the sincerity of the concerns of both members, the member for Oakwood and the member for Yorkview, and I share those concerns.

There are two advisory councils on which I would like to see representation. Why is there no representation from minorities on the Ontario Advisory Council on Senior Citizens? There are so many ethnic senior citizens homes. These recommendations have been set, and I certainly agree with the honourable member. He spoke about the status of women. I think there is a place for some immigrant women on the Ontario Status of Women Council if they report on these concerns.

There is no question there is a need; but, Mr. Speaker, do not let any member insinuate that there is no attempt by this government to face that issue and to face those concerns.

**Mr. Ruprecht:** Mr. Speaker, I rise to support totally the resolution that has been presented to this House by my good friend the member for Yorkview. I thought I might present a little different view from that which the member for High Park-Swansea has indicated to this House.

Interjections.

**Mr. Ruprecht:** I hear some of my colleagues say his view is a bit distorted.

**Mr. Shymko:** The member for Parkdale has always co-operated with me. What has happened?

**Mr. Ruprecht:** That is right. Mr. Speaker, let us have the collaboration where it counts, not only in the speeches and empty promises for which this government has been known for such a long time—in fact, over a period of 40 years; promises and proposals but little action in terms of the ethnocultural community.

We are now fairly tired of the recycled programs of proposals and papers that are coming out but which, when everything is examined, when the figures are in and when we count it all up, amount to one basic thing: a broken promise and a broken dream.

In recent years the federal government of



Canada has taken the ethnocultural makeup of our country fairly seriously. Why? They have established a Minister of State for Multiculturalism. But what about the facts of this particular government? What has this government achieved in terms of multiculturalism? Can we find it anywhere? Is it written anywhere?

**Mr. Mancini:** Nowhere.

**Mr. Ruprecht:** Precisely; nowhere. It is hidden away in the bowels of this government.

Interjections.

**Mr. Ruprecht:** That is right: pretty far down, as some of my colleagues indicate in this area. It is hidden away in the Ministry of Culture and Recreation. You have to open up your book or books even to find it, and certainly you cannot even find specific policies that address themselves to some of the basic questions and problems that we on this side of the House indicated a long time ago.

**5:20 p.m.**

The provincial Ministry of Culture and Recreation, I would submit, has not done its job. Why? The ministry develops its own programs and policies with its own metaphors and images, and what do they say? They say, "Ours is a mosaic but, as opposed to what happens in the United States, we want to distinguish ourselves from the Americans. They are what is called a melting pot, robbing immigrants of their heritage, and we are the beautiful mosaic, basically appreciating different cultures and permitting the immigrant to develop his own culture."

Permit me, Mr. Speaker, first to examine our beautiful mosaic, create my own metaphor, and then proceed to outline the vision I have of a multicultural province and a multicultural Canada. I would like to outline a vision that we can all agree on, I think; a vision not tied to the tokenism of exotic food and strange dances and costumes, but to a new dynamic reality of equality of access to opportunity where it really counts.

First, let me look at the myth of the mosaic. What is it? It is a picture or pattern of small coloured stones set in a concrete surface. If we resemble the mosaic, does that mean ethnic citizens are locked in their existing social and economic positions, unable to move into the mainstream of society and unable to participate in the major decisions of this country? If we had a Progressive Conservative government continuing in power for the next 50 years, we would see that, probably as an institutional policy.

Professors Clement and Porter have docu-

mented evidence—and I hope the member for High Park-Swansea is listening to this—that less than two per cent of those classified as ethnic belong to the corporate elite of this country, yet they make up almost a third of the total population. The word "mosaic" is used to describe the condition where ethnic cultural groups maintain their cultural identity because they are alienated, isolated, oppressed, ostracized or manipulated.

Since the mosaic does not move and does not change, I would like to provide another metaphor that comes much closer to the vision I have. My metaphor is patterned after the good Roman fountain. I would like to call it the great Canadian fountain. Like most great fountains with streaming water and cascading fall, it is at once strong and stable, yet flowing and providing change and flexibility and mobility. That is my Canada; that is my province; it is strong in its sense of unity, yet dynamic and flexible.

I want the Canadian fountain to reflect a new Canada. Multiculturalism should be reflected in our educational institutions. In the old Canada, Canadians of ethnic origin other than the mainstream were almost ignored in the schools. Their presence in Canada was usually overlooked and the scattered references to them in the history books suggest they can become good Canadians only if they submerge their ethnicity and their identity.

In a new Canada there should be a new spirit. The official history textbooks in our high schools should stress Canada's multicultural heritage. Prospective ethnic studies would be used as humanitarian tools in sustaining the self-esteem of these particular children, to give them a sense of self-worth and to help them overcome any sense of social inferiority that minority group status might imply.

I would like the Canadian fountain to reflect multiculturalism in the mass media. Perhaps the single most important contribution to national unity could have been developed by the Canadian Broadcasting Corporation. This great tool of unification has never been fully utilized; even after 40 years of existence the CBC has not fulfilled its mandate in reflecting the cultural complexity of Canada and this province. Even the recommendations of the Royal Commission on Bilingualism and Biculturalism have not been implemented. The recommendations of the member for High Park-Swansea have not really been implemented.

Recommendation nine of the royal commission states, and I quote, "We recommend that

the CBC recognize the place of languages other than English and French in Canadian life and that the CBC remove its proscription on the use of other languages in broadcasting."

Recommendation 10 reads, "We recommend that the CRTC undertake studies in the field of broadcasting in other languages to determine the best means by which radio and television can contribute to the maintenance of languages and cultures, and that the CBC participate in these studies." The CBC could accomplish this by, one, showing programs that indicate the human aspect of cultural minorities; two, permitting some degree of cultural input in program policy production, and three, providing access to third-language programs in regions where warranted.

In short, the traditional historic forces in Canada are moving again towards confrontation, but the vocal third force, the multicultural community that we in this particular province should be very thankful towards, is not going to be letting the breakup of this country take place. I think we all understand what is essential in this province and this is why I support this motion. It is essential that we be seen to do justice, not only for those people who are in the mainstream of this country but for those ethnocultural minority groups in terms of our hiring practices.

We have no statistics to back up the member for High Park-Swansea when he said, "The proposals are that we are all going to be equal; we are all going to have access to all kinds of jobs. Don't worry, folks, it is all under control." We on this side of the House have listened too long to these kinds of promises that all is under control.

I listened yesterday to the Minister of Health (Mr. Timbrell), who indicated that all is under control in terms of psychiatric institutions. Yet we find nothing is under control; in fact there is evidence that indicates he is not doing his job.

Before the honourable member says to the member for Yorkview that he has not done his homework, I think he should do his homework. He should tell this side of the House whether he knows that two per cent of minorities are in the basic institutions in this country and that only two per cent can be found in the multinational corporations and in the leadership of this province. I think the honourable member should apologize for saying to the member for Yorkview that he has not done his homework.

The member for High Park-Swansea has not looked at the facts but continues with the

government policy of making promises. As I stated before, Mr. Speaker, let us not mistake these promises for actual facts and let us not mistake these promises for actual statistics. The statistics are that what the multicultural groups need in this country is equality and access not only to information but to jobs.

Finally, we in the Liberal Party have quite clearly understood it is essential, not only now but in the future, to ensure that this proposal becomes law in this province so that no one can say we are ignoring multicultural minorities but that we are all equal.

**Ms. Bryden:** Mr. Speaker, I found merit in this resolution when I first read it because I certainly agree that appointments to agencies, boards and commissions and to high civil service posts should reflect the diversity of the province. I also thought its wording called for an end to tokenism; I thought it would ensure that appointments recognized that women constitute 51 per cent of the population of this province.

The previous speaker from the Liberal Party seemed to think it dealt only with multicultural appointments. I certainly think we do need to recognize that element of our society, but we have to recognize geographic regions and other minorities and see that our appointment system does produce a diversity that is consonant with the diversity of our province.

I had also hoped it meant an end to the shameful record of this government over 38 years in making patronage appointments, but my hopes were dashed when the member sponsoring the resolution said he was not naive enough to expect partisanship in appointments could be eliminated. I can understand how a supporter of the Liberal Party would come to such a conclusion after comparing what goes on in Ottawa over a similar period of time to what has gone on in Ontario.

However, I think that in accepting partisanship as a natural part of such appointments he has weakened the main thrust of his motion, which is to ensure that appointments are made on the basis of criteria other than partisanship. It was to be hoped that criteria could be developed that would represent the various social and ethnic groups and the geographical diversity of this province. Was it too much to hope that appointments would be of the best persons to serve the public interest rather than of people who were the choice of the government only, made behind closed doors and with no stated criteria?

5:30 p.m.



Over the past 38 years, the government has used appointments to agencies, boards and commissions as a sort of senate, a place for people who have been defeated; members, unsuccessful candidates or friends of ministers can find security on the government payroll. I submit this is a complete misuse of the boards and does not provide the public with the most-qualified servants on those boards.

If we took a blood test of all the appointees to these agencies, boards and commissions, the resulting test tubes would be predominantly Tory blue, and if a cross section were taken of the makeup, we would find very few women, very few ethnic people and not an entirely good geographic or occupational distribution.

Last fall, the procedural affairs committee addressed the question of how to open up the appointment process and make it more democratic. It accepted the principle that under responsible government in Canada, the cabinet should accept responsibility for the choices it makes. I do not quarrel with that, but the committee felt the responsibility would be better discharged if the process of selection were opened up.

It proposed that all segments of the Ontario public should have the opportunity to apply for membership to agencies, boards and commissions. It suggested the positions should be advertised in the Ontario Gazette and applications or nominations from interested groups should be processed by the Management Board of Cabinet. It thought management board might establish some criteria and then prioritize the nominees before forwarding them to the cabinet.

The committee further recommended, and I think this is a very interesting proposal, that the effectiveness of the criteria could be tested by an annual statistical analysis of all such appointments which would show the following: the number of applicants nominated by government members; the number of applicants nominated by opposition members; the number of applicants nominated by board members; the number of applicants not nominated, and the number of applicants nominated by interest groups.

When these statistics had been compiled and matched with the actual appointments, we would have a picture of how successful the government was in carrying out the intent of a resolution of this sort. If they showed the intent was not being carried out, the conclusion would be either that the recommendations of man-

agement board were being ignored and we were not getting the best and most representative people, or that there was a need for some particular affirmative action to seek additional candidates in various parts of the community and of our Ontario society. I think that is something that should be considered.

I intend to vote for this resolution although I think it should have included a proposal for implementation somewhat along the lines of the recommendation of the procedural affairs committee. I also think it should have flatly rejected appointments on a partisan basis. If we do not establish the principle that patronage appointments are completely unacceptable in a democratic society, then we are heading for a dictatorship where everything is in the hands of one small segment, which in the present situation received only about 25 per cent of the total vote.

With these changes, I think it would be a very good policy to have on our books. That is the reason why I will vote for it, hoping we can refine the idea later on when it becomes legislation.

**Mr. Rotenberg:** Mr. Speaker, how much time do I have?

**Mr. Speaker:** Five minutes.

**Mr. Rotenberg:** I do not think there is any question I am in favour of any motion that seeks to root out discrimination. I am in favour of everyone and anyone in this province being eligible to be appointed to civil service jobs and to agencies, boards and commissions. But I think this government's record on anti-discrimination is that we are pioneers on this continent in fair employment practices and fair accommodation practices legislation. We are one of only two provinces that supports entrenchment of a human rights code in our constitution; so I do not think this government has to be ashamed in any way of its record on nondiscrimination.

This motion disturbs me because it is contrary, if not to the letter to the spirit of the Ontario Human Rights Code. If this gets to a committee, are we going to ask each and every present and future appointee what is his or her ethnic background, origin and sex? That is contrary to our human rights code. As a member of the standing committee on procedural affairs, I do not want to sit on a committee, have people come before me and have to ask them what is their racial, religious, ethnic or sexual background.

I support nondiscrimination. Of course, everyone should be eligible, but everyone also must be qualified. Citizens from ethnic backgrounds certainly should be sought out and should be put on these boards. Despite what the member for Yorkview (Mr. Spensieri) says, his motion does call for a quota system. After all, what else is reasonable representation based on the ethnic and cultural makeup of the province, if it is not a quota system? He supports that. He supports what I cannot support—reverse discrimination.

There have been a couple of cases in the United States. We all know about the Allan Bakke case in the United States where they tried to have a quota system. A person who was more qualified to get into medical school was denied this because some other group had to have equal representation based on origin. That was thrown out of the Supreme Court of the United States. We had a case in New York City where qualified teachers with many years of experience were fired so that new teachers with fewer qualifications, but from a minority background, could get the jobs.

I know the member for Yorkview does not mean this, but that is the kind of thing his motion is getting towards. Does he want the present appointees, no matter how qualified they are and how much experience they have, not to be reappointed? Are they to be fired to get this kind of representation, no matter what the qualification of the nominee or the appointee?

As far as senior civil servants are concerned, one of the problems is that many from these ethnic groups which have great representation of population at this time are fairly new to this country. One does not take a person and appoint him to the top of the civil service. One takes him and puts him in. I will take any member of the opposition over to my office in the Macdonald Block. I will stand him or her in the lobby to watch the elevators going up and the elevators going down and see the vast number of peoples from various visible minorities now in the employ of this province who are working their way up to senior positions.

He talks about the "we" when he talks about the third force in this country. I am just as much a part of that "we," of the non-English and non-French in this province, as the member for Yorkview is.

I am a little upset at the way this motion seems to be going. What is ethnic background? How does a person qualify? Is it first generation? Is it

just an immigrant? Is it second generation? Is it third generation? A lot of people from ethnic backgrounds have changed their names.

**An hon. member:** You qualify.

**Mr. Rotenberg:** Of course I qualify, and so do you. A lot of people from these backgrounds now have a majority name. They have changed their names. What about a person of mixed parentage? Does he count or does he not count? I think we are carrying this to its logical conclusion.

What about certain ethnic groups? Let us use a mythical name. Let us say people from Krypton have a very small number of people in this province. Let us say they have more than their numbers justify, they now have one person on a board. Does that mean a second person from that ethnic group cannot be appointed to that board because they already have reasonable representation? Are we going to discriminate against small minorities, against more than one person on any one board or commission?

The member for Yorkview, I am sure, does not recommend that, but that is where his motion is leading.

**Mr. Roy:** I think you should be in cabinet.

**Mr. Rotenberg:** I think so too, but it is not my decision. I know my time is limited. Let me simply say this. There is a lot more I would like to say about this problem of quotas and reverse discrimination. I know the member for Yorkview is sincere. I will support any motion in this House to fight discrimination. I have been doing it all my life. But I will oppose any motion that calls for a quota system, that calls for reverse discrimination, that asks to list people by categories, ethnic background, race, religion or sex. I will oppose any motion that says we have to make that kind of list. That is contrary to everything I believe in.

**5:40 p.m.**

I will continue to recommend qualified Ontarians from all backgrounds, no matter what they are, from all races, all religions, all sexes.

Interjections.

**Mr. Speaker:** Order.

**Mr. Rotenberg:** I will continue to recommend all those people for jobs—and they are getting them. But I will not support this kind of motion.

I know the member for Yorkview is new at this job. I know he is sincere in what he is thinking, but I say he has gone about this the wrong way. I think my colleague the member for High Park-Swansea (Mr. Shymko) has indi-



cated very clearly that this government has a very definite policy of hiring people from every background without quotas, and it is already happening. That is the way it should go. I cannot support the motion the way it is worded.

**Mr. Mancini:** I am not sure how much time is left to be allocated to our party, Mr. Speaker.

Interjections.

**Mr. Speaker:** Order, please. Mr. Spensieri has the floor.

**Mr. Spensieri:** Mr. Speaker, when we entered this debate, we had intended this resolution to be essentially a fact-finding resolution. We have seen in our constituency work and in our involvement in the community that there is a perceived sense of lack of representation. When something is perceived, it is real enough in the minds of the people perceiving it.

All this study was intended to do was to provide an existing forum, namely, the procedural affairs committee, without additional expenditures on task forces and other bodies designed to take the excess from the Conservative benches and from the Conservative pool of available talent.

We wanted to take advantage of an already established committee for a fact-finding mission which would study those existing appointments to see if they truly reflected the ethnocultural and the social diversity. If members opposite have taken offence at this attack upon their exclusive preserve of making appointments as they choose, then I do not apologize for the attack because I think it is well merited.

If it turns out from this inexpensive study that the truth is that there are enough people on these boards and commissions and higher levels of the civil service to truly represent the diversity of this province, then nothing will have been lost. We will have simply spent a number of hours of this committee engaged in a very worthwhile task. It could be a soothing palliative for the residents of Ontario. But if it turns out, as I suspect, that the study will reveal an imbalance, a complete failure to reflect the realities of the composition of this province, then we can get into my friend's suggestion as to ways and means of rectifying the situation.

To put it into perspective, all I am asking for is a study by an existing body to determine what is perceived to be an imbalance. If there is no imbalance there, we will have lost nothing, but we will have gained a lot because we will have set straight a great portion of our society.

## SEPARATE MINISTRY OF MINES

**Mr. Speaker:** Mr. Havrot has moved resolution 3.

Those in favour will say "aye."

Those opposed will say "nay."

In my opinion the ayes have it.

Call in the members.

**Mr. Stokes:** Mr. Speaker, on a point of order, if you will look at standing order 64, you will see you cannot even put the question before 5:50 p.m.

**Mr. Speaker:** Yes, you are absolutely right.

5:50 p.m.

Order, please. It now being 5:50, we will deal with Mr. Havrot's resolution

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Call in the members.

**Hon. Mr. Gregory:** Mr. Speaker, on a point of order: We did have the approximately five-minute bell before. I am just wondering why we are having another five-minute bell.

**Mr. Speaker:** Well, quite clearly, we began the bells before 5:50 and we were out of order. The rules provide for up to a maximum of five minutes. The bells do not have to ring for five minutes. If the members are satisfied and ready to proceed, we can now take the vote if they agree. We don't have agreement.

The House divided on Mr. Havrot's motion of resolution 3, which was concurred in on the following vote:

### Ayes

Andrewes, Baetz, Barlow, Birch, Boudria, Bradley, Copps, Cousens, Cunningham, Cureatz, Dean, Drea, Eakins, Eaton, Edighoffer, Elgie, Epp, Eves, Fish, Gillies, Gregory, Grossman, Haggerty, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M.;

Kells, Kennedy, Kerr, Koly, Lane, MacQuarrie, Mancini, McCaffrey, McCague, McKessock, McLean, McNeil, Miller, F. S., Miller, G. I., Mitchell, Newman, Nixon, Piché, Pollock, Ramsay, Reid, T. P., Robinson, Rotenberg, Roy, Runciman, Ruprecht;

Sheppard, Snow, Spensieri, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Wiseman, Worton.

**Nays**

Breaugh, Bryden, Conway, Grande, Laughren, MacDonald, Mackenzie, Martel, Philip, Riddell, Samis, Stokes, Van Horne, Wildman, Wrye.

Ayes 72; nays 15.

**PROVINCIAL APPOINTMENTS**

The following members having objected by rising, a vote was not taken on resolution 4:

Andrewes, Baetz, Barlow, Birch, Cousens, Dean, Eaton, Eves, Gregory, Harris, Havrot, Henderson, Hodgson, Johnson, J. M., Kells, Kennedy, Kerr, Kolyn, Lane, MacQuarrie, McCague, McLean, McNeil, Miller, F. S., Mitchell, Piché, Pollock, Robinson, Runciman, Sheppard, Stevenson, K. R., Taylor, G. W., Timbrell, Treleaven, Turner, Villeneuve, Walker, Watson, Wiseman—38.

**Hon. Mr. Wells:** Mr. Speaker, before I give this statement, I wonder if I could ask you to consider something on a point of order. Since this is the first private members' hour, it is my understanding that the procedure for voting is that when the vote is called all members, either for or against, stand up together.

**Mr. Nixon:** Mr. Speaker, the reason we did not all stand up when the Tories rose in a body is that we believe it ought to be an emphasis on the private members' point of view. I am sure you would understand it, Mr. Speaker, whereas the House leader of the monolithic majority might not. However, the point is well taken and we will try to do better next time.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Wells:** Thank you very much, Mr. Speaker. I appreciate very much the co-operation of the House leader for the official opposition.

**BUSINESS OF THE HOUSE**

**Hon. Mr. Wells:** Mr. Speaker, pursuant to the standing orders, I would like to indicate to the members the business for the rest of this week and next week.

Tomorrow we will deal with legislation, second reading and third reading of Bill 31 and second reading of Bill 7, the human rights amendments. Monday, May 18, is a holiday, being Victoria Day. On Tuesday, May 19, in the afternoon there will be the following legislation: second readings, if needed, of Bill 7, followed by Bills 48, 20 and 2. In the evening the Treasurer will be bringing down his budget. On Wednesday, May 20, the administration of justice committee will meet in the morning.

On Thursday, May 21, in the afternoon we will have private members' ballot items 3 and 4 standing in the names of Mr. Foulds and Mr. J. M. Johnson. In the evening the House will consider a motion for adoption of the report of the Ontario Housing Corporation and local housing authorities. On Friday, May 22, we will continue with second readings of any legislation not completed on the afternoon of Tuesday, May 19.

**Mr. Martel:** On a point of order, Mr. Speaker: When the minister rose in his place with great vigilance on behalf of all the ayes and nays standing, I would have hoped in my absence he would have been as vigilant when the rules were being violated, as my colleague from Lake Nipigon (Mr. Stokes) was, and protected the integrity of the House.

The House recessed at 6:05 p.m.



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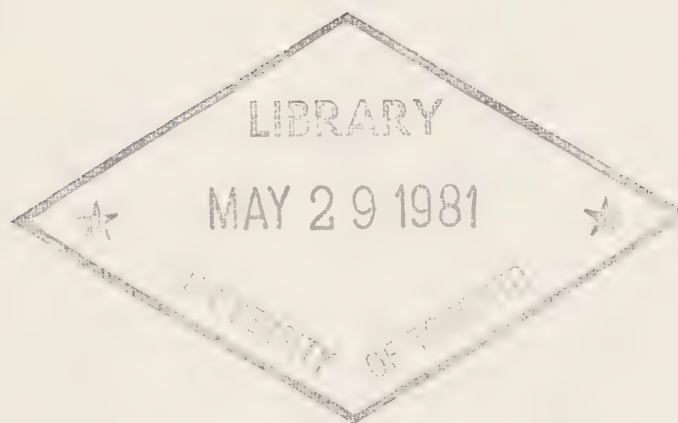
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No. 20

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Thursday, May 14, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 14, 1981

The House resumed at 8 p.m.

House in committee of the whole.

## REPORT OF THE SELECT COMMITTEE ON THE OMBUDSMAN

**Mr. Chairman:** Members, I thought it would not be appropriate to make a comment or two at six o'clock, because I know how anxious everyone was to get away for the dinner hour. At this time, however, I would like to have it stated on the record how pleased I am to have the support of all members of the Legislature. I will do my utmost to carry out my function to facilitate the business of the House, and use my discretion as wisely and as well as possible to continue a full and active debate within these sacred halls.

It goes without saying that I acknowledge and thank the Minister of Intergovernmental Affairs (Mr. Wells), who moved the motion for my placement as Deputy Speaker and Chairman of the whole House, and the member for Brant-Oxford-Norfolk (Mr. Nixon), who seconded the motion.

Before we get into this evening's debate an interesting comment, if I may allude to it, was made about my position as Deputy Speaker and voting during particular aspects of the debate. I might inform the House that I have had the opportunity of doing some research in this matter. I would like to point out that in Ottawa the Deputy Speaker, who I might add is a government member—and I point that out to our opposition members here this evening—has indeed the right to vote in a matter in which he sees fit. In some aspects of the latest constitutional debate he has refrained, but the comment I have received is that he has done so only if it is a very delicate situation in terms of debating Canada's constitution.

I might also point out that I have had the opportunity to seek advice from the Legislative Assembly in Saskatchewan. I thought that would be an appropriate province from which to seek some direction. The member for Oshawa (Mr. Breaugh) will be very interested to know that in that province the Deputy Speaker, who is also a member of the government, has a free choice to vote for or against any government motion. As a result, following the true tradition of parliamen-

tary precedent, I will continue on that basis, but of course I will always be willing to take in any debate or consideration at those appropriate times when members would like to bring that to my attention.

**An hon. member:** Are you going to be fair, as you always are?

**Mr. Chairman:** I will be fair, as I always am.

Continuing with the debate on the select committee of the Ombudsman, I would like to bring to the attention of the Legislative Assembly that it is my understanding that recommendations from a previous report are scattered throughout this particular report. However, I believe we will be following the recommendations on page 77, some six of them. If I am correct, that is what the members will be giving their attention to, the summary of recommendations scheduled at page 77 of the committee's eighth report.

On recommendation 1:

**Hon. Mr. Timbrell:** Mr. Chairman, just to make life easy for everybody, let me say the Ministry of Health accepts the recommendation of the committee with respect to recommendation 1 which I want to read into the record:

"The committee therefore recommends that the Ministry of Health give prompt notice to all persons whose claims for benefits under R990—that is an OHIP category—"are in the future refused, full particulars of the appeal procedures available to them at the same time as the notice of refusal is communicated." We accept that.

For the record, in the 1981 schedule it is code R991, if that point is important to anyone opposite or on this side. But we do accept the recommendation and we will implement it.

**Mr. McClellan:** Mr. Chairman, I guess we are a little handicapped in having this debate without an incumbent chairman of the select committee to deal with some of the matters that arise in the report. All I want to say, as a member of the select committee on the Ombudsman since 1977, is that I appreciate very much the way in which the Minister of Health has just responded to the recommendation of the select committee. I also appreciate the way in which



the government has responded in a general way to recommendations of the select committee ever since the select committee tabled its sixth report.

Members will recall that we ran into a major difficulty following the tabling of the select committee's fifth report where a number of recommendations of the Ombudsman, which had been supported by the select committee, were not being implemented by various governmental organizations and a way was then sought to resolve that impasse for the sake of the Office of the Ombudsman and its continued integrity. That process is what we are addressing here tonight.

All I want to say is this select committee has been the one committee in this place which, in my view, over the past four years has been genuinely nonpartisan. I mean that quite sincerely. In the time I have sat on that committee, it has been free of the kind of interparty wrangling that characterizes every other aspect of business in this Legislature or all other committees.

I think that is a tradition which must be maintained if the Office of the Ombudsman is to survive. I think it is an important point which I want to stress to members opposite and, in particular, to the government House leader as we enter this debate this evening. I don't think the Office of the Ombudsman can withstand a reintroduction of partisan considerations into the Ombudsman's decisions or the work of the select committee.

We will be continuing the debate over the course of the evening. I simply wanted to thank publicly the Minister of Health for his response and to express the wish that his response tonight, which is consistent with all responses since our sixth report was tabled, is going to characterize the responses of the other five recommendations to come.

**Mr. Chairman:** Any further discussion?  
Recommendation 1 agreed to.

On recommendation 2:

**Hon. Mr. Bennett:** Mr. Chairman, I recognize the feelings of the committee in relationship to some difficulties that were experienced by one of 61 housing authorities in this province.

While I accept recommendation 2 of the committee, I think it would be well if we could look at some of the responsibilities the housing authorities have undertaken with a degree of understanding by the members of this House past and present, and also with the understand-

ing that the housing authorities are made up of individuals appointed or recommended from the municipal, provincial and federal levels to represent the best interests of the people of their community.

They do have the responsibility of trying to resolve a great number of problems. They are responsible for applications made to them on a monthly or daily basis for occupancy in units that are supported by this government and the federal government to provide proper accommodation.

**8:10 p.m.**

I do recognize the fact that over the last five years or so there have about 250 complaints relating to the Ontario Housing Corporation or subsidized units and the way applications have been dealt with by the local housing authorities. I would have to think, with some degree of satisfaction, that this is the first case out of 250 where the Ombudsman and the committee felt there was some error on the part of the authority in that particular area.

I would like to read into the record the fact that although the select committee and the Ombudsman did not agree with the housing authority's judgement and handling of this particular application, the committee did say, Mr. Chairman, and I quote, "The committee has no doubt that the members of the housing authority acted in a way which they individually and collectively believed was in the best interests of all concerned."

A little later in the report the committee indicated that they did not want to undermine the importance of the authority. I quote again, "The committee in no way wishes to downgrade the autonomy that housing authorities must enjoy."

I accept the recommendation of the committee. Through the Ontario Housing Corporation chairman, Mr. Moses, we shall be in touch with the chairman of the particular housing authority.

I have to indicate clearly to the House at this time that there is a change in the chairmanship. The present chairman's term of office is expiring and he has served the maximum number of years that we usually allow for an individual on the authority.

I just wanted to indicate clearly that I think basically, to a very large extent, these people give freely of their time. I think members on both side of this House have heard me speak at various openings; this is the one group where people serve entirely at their own expense,



there is no honorarium or remuneration for serving on a housing authority. I want to compliment the 61 authorities and the dedication of all the people, regardless of who recommends them for the particular responsibility. I think in this province we can be rather satisfied that they do dedicate their efforts, not without some mistakes obviously.

I will report through from the chairman of the Ontario Housing Corporation to the new chairman of this authority that we wish recommendation 2 to be enacted, or at least the opportunity to be given to the original applicants for a unit suitable for their accommodation.

**Mr. Eakins:** Mr. Chairman, I want to say I appreciate that the minister has accepted this recommendation. I want also to pay tribute to the work of our housing authorities, because they do have a very difficult job.

I have worked very closely with the Victoria-Haliburton Housing Authority and I know they have many difficult decisions. They have many people waiting for accommodation and I know it goes on a point basis and a need basis.

This particular case was a very difficult one. In the Ombudsman's committee I certainly supported this recommendation. I know from past experience that when some people who have had difficulties have been given opportunities in the way of better housing it has made a big improvement to those families in the future. I have been able to experience that.

I appreciate the work our housing authorities are doing and I think, as the minister has stated, this is an isolated case. We do have people appointed by the three levels of government who are serving very well our housing authorities in this province. I appreciate that the minister has accepted this, and I just want to add a word of appreciation for what the housing authorities are doing in this province. They are doing a good job.

**Mr. McClellan:** Mr. Chairman, I want to thank the minister for his response to the select committee's recommendation. He rightly points out the committee was very careful in its language, and I quote from page 36, "The committee in no way wishes to downgrade the autonomy that housing authorities must enjoy."

In other sections of the report the committee expresses deep appreciation for the work of the individual members of the housing authority. I may make some additional remarks with respect to the principle involved in this particular case for the third recommendation, but I do express the gratitude of my colleagues that the basic

issue, which was the plight of the family without housing in this particular community, has been addressed by the minister.

**Mr. Eaton:** Mr. Chairman, having been a member of that committee at the time, I had some grave doubts about the position we took in regard to this. I expressed concern because I think the Ombudsman's office is one we must respect and rely on for deep investigation into situations like this.

If I had to sign the report, I question whether I would have signed it without putting in some comments as a minority report on this item. Since I was just a substitute on the committee at that time, I did not have to sign it. However, I do want to make these comments in regard to it.

I believe the investigation in situations like this must be complete and thorough. That was one of the things that concerned me very much at the time, because in this instance the housing authority acted on the basis of a great deal of experience in its own community, on the basis of interaction with the people involved and in consideration with other people who had to live in close proximity in public housing under the housing authority in this situation.

For the life of me, I could not see how a person could go down, do half a day's investigation, come back and draw a conclusion as was drawn here. Surely in an instance like this it is based on something happening in the community in which all the people in the community are involved for a long period of time. I do not see how someone else can go in and pass judgement on half a day's reporting on what came before the committee as differing reports from the same people. I just express that concern.

As we found out in our discussions and deliberations, that was the first situation the person reporting on this incident had been turned out to investigate by the Ombudsman's office. This is of great concern to me. If we must rely on the information that comes from the Ombudsman and on which he makes his decisions, those investigations must go much deeper than half a day in an instance like this. I simply express that concern.

I too had feelings for the family involved. I am pleased the minister has accepted the recommendation in the long run, but I do have grave concerns about that kind of an investigation in such a situation and I hope that goes to the



Ombudsman's office so he can look at those situations and make sure his investigations have a little more depth.

Recommendation 2 agreed to.

On recommendation 3:

**Hon. Mr. Bennett:** Mr. Chairman, in recommendation 3 we are dealing with the manuals of the Ontario Housing Corporation and the committee indicates that it "conduct a review and study of its manuals and the decision-making functions of housing authorities in particular for the purpose of amending its manuals to give housing authorities more guidance in order that the rules of administrative fairness will be more strictly adhered to."

I would like to report to this House that the manual is one of the documents that is constantly under review as a result of input from housing authorities and others. I trust we are not going to get to the point, as we have said in the earlier statement, that the autonomy of the housing authority is taken over entirely by a provincial operation.

**8:20 p.m.**

One of the reasons we established the local housing authorities—and I think it was in the best interest of the delivery of that service—was to allow for a certain amount of local input to the operation. But in response to recommendation 3—and we accept the recommendation obviously, because we are in the process of doing it virtually on a weekly or monthly basis; we try to involve more than just the people at the Ontario Housing Corporation.

There are also those who work in the Ministry of Housing and those—both in paid positions and nonpaid positions—who are with the various housing authorities across the province. We will continue to upgrade and improve and we hope, with the understanding of the community housing authorities and the OHC, to find guidelines and rules that are workable and which will allow us to deliver through the housing authorities the best possible program to the people applying for the units.

**Mr. McClellan:** I would like very briefly to thank the minister for accepting the recommendation and to flesh it out a little bit. On page 36 of the report the committee notes, as I said before, that it "in no way wishes to downgrade the autonomy that housing authorities must enjoy."

We go on to say, however, they are crown corporations established under an order in council. The order in council reads that the

housing authority shall "make bylaws, subject to the approval of the Minister of Housing, regulating its proceedings and the conduct of the affairs of the authority."

Second, "... shall be charged with and shall assume responsibility, as defined and determined by Ontario Housing Corporation, for the management, operation and administration of such family and senior citizen housing projects."

So the order in council very clearly sets out the responsibility of the ministry and of the Ontario Housing Corporation to do what has been set out in the recommendation. The reason we wanted to—in a way—red flag it was that it became clear during the course of the committee's hearing that some of the practices would appear to violate natural justice. Specifically there was the fact that the local housing authority had basically consulted the grapevine in the local community to get a kind of profile of the family.

I think all of us, particularly members from rural communities, have an understanding about how things are done in small communities. But we have to be very vigilant that there is only one set of administrative procedures and one set of entitlements for public housing right across the province—from Cornwall to Kenora. That is the only point the select committee is trying to make in this recommendation.

**Mr. Eakins:** Would it be in order to ask the minister one question? Does he have regular workshops to update the members of the authorities as to some of the new regulations he might be bringing in or points he wants to stress to make sure there is a high degree of administrative fairness in the Ontario Housing Corporation?

**Mr. Chairman:** Mr. Eakins, as you are well aware it is not in order, but I think in the interest of having a free-flowing debate possibly the minister might oblige.

**Hon. Mr. Bennett:** It is a pleasure, Mr. Chairman, to answer the member's inquiry.

Yes, we have area meetings with the chairman and members of the Ontario Housing Corporation to which we invite both staff and members of housing authorities from various parts of the province, and usually they are on Fridays and Saturdays. Again I want to compliment the authority members, because they spend Fridays and Saturdays at their own expense trying to improve their knowledge about the delivery of this important program in the province.

We have had a fair amount of success with the Association of Ontario Housing Authorities. This association is made up of members of all the authorities in the province who try to give some guidance and direction through the Ontario Housing Corporation. So we do have that provincial organization which participates with us as well. I think the conferences and seminars we have had for staff and authority members have been very beneficial for all.

**Ms. Copps:** I wonder if the Minister of Housing might bear in mind in the study of the revision of manuals and procedures that the OHC, at least in terms of the Hamilton-Wentworth Housing Authority, does not at present appear to have a consistent policy regarding appeal procedures.

I would ask the minister that, as is at present carried out in the Ministry of Community and Social Services and in the Ministry of Labour, complainants or applicants, specifically housing and transfer applicants, be granted the right to a verbal hearing before a full board so they might air their case in a democratic and just manner. I think this is a policy that is not currently enforced and it is one that should be given very serious consideration when the manuals are being revised.

**Mr. Boudria:** Mr. Chairman, I have just one observation. The case we are discussing now is one that occurred in my constituency. One of the things many of the local groups were concerned with was the fact that the manuals are not readily available to local community organizations for perusal to see whether the guidelines are being adhered to. Being from small communities, if the manuals the housing authority has are not made available to the public, the public has almost no other place at hand to get the manuals to verify whether the decisions taken by housing authorities are proper ones.

I am wondering if the minister will keep in mind, when he is revising his manuals, that one of the revisions would be that the manuals themselves be more readily available or always available, or something to that effect, to ensure that the public will always have access to them. That was one of the problems that was occurring in Hawkesbury in this particular case.

**Mr. Philip:** On that very topic, one of the things the justice committee found in its inquiry into OHC was not only that the manuals are not easily accessible to certain advocacy groups such as legal aid groups and other community

groups, but also that the way in which they are updated is inconsistent. Sometimes decisions are being made on regulations or changes of rules that these groups, acting on behalf of tenants or the tenants themselves, are not aware of.

I think that may be one of the things the minister wants to look into, the problem of making sure that the updating is consistent throughout the province and that updates are sent to everyone where a manual is available.

**Hon. Mr. Bennett:** A very quick response to the member for Hamilton Centre (Ms. Copps): I appreciate the comments she made about the appeal procedure and it is one we are already looking into to try to standardize it across the province.

I trust the member will appreciate that for me, as the minister, to say that an appeal is going to be before the whole board is not quite fair to a group of people who are giving of their time. They usually try to establish a committee of the authority to do a review of a particular application or applications. In some areas this works extremely well, in other areas it does not—because, I suppose, of the difference of opinions on how appeals should be handled.

We are in the process, through the Ontario Housing Corporation, of establishing a standard appeal procedure regarding applications for subsidized or rent support housing.

To the member for Prescott-Russell (Mr. Boudria) on his remarks in relationship to the manual and the member for Etobicoke (Mr. Philip), I say to them that a year ago or thereabouts we indicated clearly the further availability of the manual for the Ontario Housing Corporation and the operation of housing authorities. We indicated where these manuals would be available.

As the member for Etobicoke will recall, I said at the time that one of the things we could foresee a little difficulty with was trying to make sure the manuals were continually updated properly. Although we might in Toronto, through the Ontario Housing Corporation or the ministry, send out the additional pages, I have the fear often, as with any catalogue situation, that the right pages may never get substituted. But to the best of our ability and through the co-operation of the housing authorities, we hope those manuals will be maintained in a current position, so they are available to whatever group of people wishes to make use of them.

**8:30 p.m.**

**Ms. Copps:** Point of information, Mr. Chairman.

**Mr. Chairman:** All right, let me hear it.



**Ms. Copps:** When the minister is considering the standardization of the appeal procedure, would that also apply to transfer applicants?

**Mr. Chairman:** Not knowing what a point of information is, will the minister reply?

**Hon. Mr. Bennett:** Well, it is a point of policy that was changed by our government on April 1 a year ago. At one time the eligibility factor and transfer policy usually crossed boundaries.

If you recall, Mr. Chairman, back before April 1 a year ago, if an individual happened to live in Hamilton-Wentworth housing district and wanted to move to the Ottawa-Carleton district, that person could not do it because he or she was not resident in that community for one year. We eliminated the one-year rule, save and except that an individual must be a resident of Ontario for one year.

If the member is asking if the transfer policy will be reviewed by the appeals committee, I would think if it is an application that is refused, there would be the right for an appeal the same as there is for an application by anyone wanting first-time use of a public housing facility.

**Mr. Chairman:** I want to remind the member for Hamilton Centre that this is not a question and answer period. But possibly she would like to make one more point and we will ask if there is any further debate.

**Ms. Copps:** When I said transfer, just for clarification—

**Mr. Chairman:** Let me have the member's point of clarification.

**Hon. Mr. Bennett:** A week from tonight, as you know, the justice committee's report, re the Ontario Housing Corporation's annual report that will be reviewed back prior to a certain day in history, will be here for debate and review. I would think the question the member for Hamilton Centre is asking could likely be more fully entertained at that time.

**Ms. Copps:** My question regarding the transfer policy was in regard to intramunicipal and not intermunicipal transfer. I am talking about the transfer of someone who is already housed within a certain authority and would like to change apartments.

Recommendation 3 agreed to.

On recommendation 4:

**Hon. Mr. Elgie:** Mr. Chairman, if I may, by way of a short introduction, I want to take the opportunity of reinforcing the introductory remarks made by the member for Bellwoods (Mr. McClellan). I agree with them.

As a member of that committee in the past, and reviewing its activities since my experiences with it, I confirm it is a committee that has demonstrated an ability to think independently, and not to be perceived by anyone as a rubber stamp. It does not mean it is always right, but it means it has that nonpartisanship that, I hope, along with the member and others, will continue.

**Mr. Chairman:** I am having difficulty hearing the minister. I am sorry.

**Hon. Mr. Elgie:** All right.

I am not quite sure why recommendation 4 was included in the list of recommendations. As one turns to pages 44 and 45, one will see, and I quote: "The appeal board, by decision of November 5, 1980, extended the benefit of reasonable doubt in the complainant's favour and concluded that on April 9, 1976, he sustained personal injury in the form of disablement, arising out of and occurring in the course of his employment. The committee has considered the decision in its entirety. It accepts it as full compliance with its recommendation and the recommendation of the Ombudsman as contained in his original report."

So I am not quite sure why that particular recommendation was there, because I am also informed by the board that recommendation was indeed previously accepted.

**Mr. McClellan:** The minister is quite right. The Workmen's Compensation Board has already implemented the recommendation to the satisfaction of the select committee. To be totally candid, I cannot exactly remember either why it is included there, the events of March 19 having somewhat scrambled my brain. The point, I think—

**Mr. Eaton:** I thought it happened before that.

**Mr. McClellan:** It may be true, but they are much more scrambled than they were then.

The point that the committee wanted to make was simply this: It should not be, and is not, necessary for us to get to the stage we are at tonight before the governmental organization takes action, as recommended by the Ombudsman.

Let us not forget what we are dealing with. We are dealing with recommendations of the Ombudsman on behalf of the citizen against a governmental organization in which the governmental organization has refused to accept the Ombudsman's recommendation, and, second, that the select committee, having con-



ducted a full set of public hearings into the case at hand, has decided to support the recommendation of the Ombudsman.

The select committee does not, as the minister knows, rubber stamp the decisions of the Ombudsman. There have been a number of cases, much to the Ombudsman's dismay, in which the select committee has not supported his recommendation. Our committee has developed both a tradition and a skilled practice of evaluating the investigations and the recommendations of the Ombudsman's office. What we are dealing with is, in a sense, a convention which we are trying to establish. I will deal with this, if I have to, with respect to the final recommendation.

In European countries where the Ombudsman has a long history it is not necessary for legislatures to undertake this kind of a procedure because the tradition is very firmly established. The tradition in Denmark, Sweden and Israel, with which I am familiar, is that if an Ombudsman makes a recommendation and the government were to deny that recommendation, the Ombudsman would have no choice but to resign.

That is a tradition that has developed over the course of many years in Denmark and Sweden, but it is also a practice that has been adopted as a convention in the state of Israel. There is simply no question of a governmental organization in those jurisdictions repudiating the recommendation of an Ombudsman.

We do not have that tradition in Ontario, and in the absence of that tradition we have searched for a way of establishing a satisfactory convention of our own, a convention in which the Ombudsman can exercise what we refer to as his ultimate sanction if the governmental organization refuses his recommendations. But we are walking on eggs and I do not think anyone should be under any illusions on that score.

There is nothing more useless than an Ombudsman whose recommendations are ignored by governmental organizations. It simply means that for the citizen, he or she can have no confidence that referral of a problem to the Ombudsman will be consequential.

At any rate, that is one of the points we are trying to make in this case, that it should not be necessary, except in really extreme circumstances—and this case was not an extreme circumstance—for recommendations denied to be brought to this Legislature.

**Mr. Eaton:** Mr. Chairman, just to comment on the remarks of my colleague—not directly

on this particular one, because I think it has worked out, but in regard to what he said about the Ombudsman not having to come here but having to resign if the Legislature were to oppose something that he did.

I look back at one recommendation we had in the book, where, in fact, we did oppose the recommendation of the Ombudsman. It almost reflects on what I said on another one on housing. The report states: "It became apparent that the Ombudsman's investigation raised many unanswered questions. For example, at no time during the Ombudsman's investigation did anyone in his office interview the complainant personally."

**8:40 p.m.**

This kind of a report, coming before our committee, certainly is not the kind on which you could hang your hat and say that we should not oppose any recommendations that the Ombudsman brings before us. This would be my grave concern. I think it might be a great tradition to develop, but we would need to have much more reliable investigation into the decision-making before I could accept that kind of approach.

We respect the Ombudsman's office and he should have the opportunity to carry out any investigation possible but that investigation should be carried out completely. It should bring about the confidence of the members of the Legislature in any recommendation he makes. I think we have that confidence in most cases. But I am concerned about that particular aspect and refer to it in the one recommendation we did turn down.

In the particular case I refer to, it was pointed out that after his investigation the Ombudsman did say, after a second longer look at it, he would make a different decision. One of the references in that—and I think the chairman of our committee would have raised it himself had he still been with us here as a member—was that in formulating the recommendation the Ombudsman, in this complaint, had done the very thing the committee commented on respecting complaint 38 in his sixth report. That is, the opinion formulated by the Ombudsman in this case as to the unreasonableness of the Ministry of Revenue, referred not to the original decision of the ministry in denying a complainant's entitlement to a grant, which decision was the subject matter of the Ombudsman's investigation, but to a decision, recommendation, act or omission made by the Ministry of Revenue during the course of the Ombudsman's investigation.



This is a concern which came up two or three times in the committee. I leave it at that. We have seen a lack of full investigation a couple of times before the committee. It is a concern that I think has to be considered very deeply by the Ombudsman's office.

**Mr. Chairman:** The comment I have, Mr. Eaton, is maybe you strayed a little far from recommendation 4. However, anything further? Mr. McClellan.

**Mr. McClellan:** I obviously did not explain very well what I was trying to say. The point I wanted to make was that the select committee does not rubber stamp the recommendations of the Ombudsman. Over the past four years, the select committee has been satisfying itself that the investigation has been thorough and absolutely to the letter of the Ombudsman Act.

There has been a number of recommendations where, in the opinion of the select committee, either the investigation was not sufficiently thorough or the proper procedures were not followed by the Ombudsman's office, in which case we did not support the Ombudsman's recommendations. What I was talking about was recommendations which the committee had investigated and then supported. In other words, the committee had satisfied itself that the investigation had been thorough, competent and according to the required procedures of the act.

In those cases, and in those cases only, I think there is an obligation on the governmental organization to implement the recommendation of the Ombudsman without the necessity—except in rare circumstances—of coming before the Legislative Assembly.

**Mr. Eakins:** Mr. Chairman, I agree with Mr. McClellan. I can assure members of the House that these recommendations and the recommendations of the Ombudsman are certainly not rubber stamped in any way.

I have served on this committee for several years and it is the one committee—and I might say this of the three parties—which is nonpartisan, and on which everyone looks very hard at the work before the committee. We question the Ombudsman's staff very closely on many of these recommendations, but having visited Ombudsmen's jurisdictions in other countries, I can assure members that what the honourable member said is quite correct and we do have to take very seriously the Ombudsman's recommendations because they too put a great deal of work into their investigations.

In particular, on recommendation 4, with which we are dealing, I can say to the minister that of all of the problems which come before the Ombudsman committee, perhaps recommendation 4 is symbolic of those which give us a great deal of thought; and those are the back problems. The thing we have to consider here is the existence of reasonable doubt, and I think where this reasonable doubt exists it certainly has to be in favour of the complainant.

**Mr. Charlton:** Mr. Chairman, I would like to make just a couple of quick comments to the minister in response to what he said at the outset to the effect that he could not understand why this recommendation was here. I have to agree totally with what my colleague from Bellwoods said, but point specifically to where that problem is clearly laid out in this report.

Mr. Minister, you will note that at the bottom of page 44 it says, "In response to the committee's motion, the Workmen's Compensation Board conducted a hearing." I think that is the first point that is made in this recommendation. Perhaps that hearing should have been initiated by the Workmen's Compensation Board upon the recommendation of the Ombudsman, and it should never have had to go to the committee in the first place.

If you refer to the next page, page 45, the third full paragraph, "One of the greatest frustrations felt by this committee is the time lag between the issuance of the Ombudsman's report and the ultimate implementation of this committee's recommendations..."

I think that is the whole point of this recommendation, Mr. Minister. As my colleague from Bellwoods pointed out, at the very least it should be incumbent on any governmental organization, if not automatically to accept recommendations of the Ombudsman—and I would tend to agree that any governmental organization has to satisfy itself that the Ombudsman's investigation has been thorough and complete, but that should be done by the governmental organization, not necessarily by a committee of this House—at least to have the responsibility of looking again at the problem in question upon the recommendation of the Ombudsman, as was not done in this case until after the committee had dealt with the whole matter. That, I think, is the frustration that is being expressed here.

**Mr. Chairman:** Thank you, Mr. Charlton. Any further discussion?

Recommendation 4 agreed to.

On recommendation 5:

**Hon. Mr. Elgie:** Mr. Chairman, I believe that yesterday the Ombudsman received the following letter from the Workmen's Compensation Board:

"As you know, the select committee in its eighth report to the Legislature agreed with your recommendation in Mr. Herrmann's case. This recommendation was the subject of a discussion at a meeting of the board on May 12, 1981. I am pleased to inform you that the board has agreed to implement your recommendation as endorsed by the select committee."

So recommendation 5 has just in the past week been accepted by the board.

**Ms. Copps:** I find it incredible that recommendation 5 should have been accepted by the board only this week, just prior to the submission of the report by the select committee. I would like to refresh the committee's memory a little bit, and I am going to quote now from a copy of a letter that was sent to one of my constituents—a constituent, by the way, who, on the basis of section 42, has lost to date over \$200,000 of compensable income that was his due as a result of a work injury.

This is a letter that was written to him by the Ombudsman on February 12, 1981, long after the passage of the report by the select committee. Mr. Morand said:

"On February 11, 1981, I notified Mr. T. D. Warrington, vice-chairman of the appeal to the Workmen's Compensation Board, pursuant to section 19(3) of the Ombudsman Act, of my possible conclusion and recommendations with respect to these cases." These cases, I might point out, number more than 100, not simply the test case that is shown in the document here.

"I advised Mr. Warrington that I was of the tentative opinion that the decisions regarding the cases referred to in appendices A and B were unreasonable, as the board had limited its inquiry to a clinical assessment, and had failed to give consideration to all relevant factors," et cetera, et cetera.

8:50 p.m.

**Hon. Mr. Elgie:** Mr. Chairman, on a point of order: With respect, I would suggest the member is on the wrong case. We are coming to that one next.

**Ms. Copps:** We are recommendation 5, which is section 42.

**Mr. Chairman:** In regard to continuing the discussion, Ms. Copps, if the minister would agree to listen to your comments he could

possibly respond under section 6. Possibly you could, if you have extended comments before section 6. Would that be inconvenient for you?

**Hon. Mr. Elgie:** Mr. Chairman, if I may explain, under item 6 there has been a recommendation from the Ombudsman and the select committee that the board vary its practice. There is some debate as to what the legal interpretation of a section is, but recommendation 5 does not revolve around any dispute with relation to the interpretation of section 42(1).

**Mr. McClellan:** Mr. Chairman, may I speak to the point of order? I think it might be helpful if we could put over the discussion of section 42 until the next recommendation or to the estimates. I would make a plea, and perhaps it is an uncharacteristic plea, that we not pretend that the report of the select committee is the same as an estimates debate.

We have tried relatively diligently to separate our political concerns about the Workmen's Compensation Board from the work of the select committee and to deal with the merits of cases and the principles the cases illustrate. Each and every one of us can bring as many workmen's compensation cases into the House as we have filing cabinets for and be tough, vicious, nasty, brutish and long in dealing with them.

I simply want to say we have tried not to do that with respect to recommendations and issues before this particular committee and I think that is a practice which has stood us in good stead.

**Mr. Chairman:** Mr. McClellan, I will take your comments under advisement. Ms. Copps, I think we will continue in regard to further general debate on recommendation 5. The minister has indicated your comments relate to the principle of recommendation 6. Possibly we will listen to your comments at that time.

**Mr. McClellan:** Mr. Chairman, just one point: One of the things I want to draw attention to in this case is the use of the medical referee. I want to highlight it because it relates to the suggestion the Minister of Labour made some time ago around the use of medical referees to arbitrate in a sense, or at least adjudicate disputes.

The problem in this case was that the Workmen's Compensation Board appointed a medical referee after the Ombudsman had made his recommendation. I want to stress that is a totally inappropriate way to use a medical referee. In essence, the board is trying to set up a second opinion against the recommendation



of the Ombudsman which is totally inappropriate in the view of the select committee as set out in this report.

Recommendation 5 agreed to.

On recommendation 6:

**Hon. Mr. Elgie:** Mr. Chairman, as I guess we have intimated in some of the earlier remarks various members have made, there is certainly disagreement and dispute about recommendation 6. It revolves around the proper interpretation of section 42(1). Both the board and my own ministry have obtained legal opinions. It is with a degree of regret that I have to inform members there is disagreement, not only with the opinion of the Ombudsman but with the opinion of the select committee in this regard. We believe and the board believes that point of view has been well substantiated by legal opinion.

It revolves around the interpretation of section 42(1) and whether that section relates only to a permanent pension on the basis of a clinical assessment or whether such a determination regarding a permanent pension should also take into account the earning capacity.

I may read into the record a three-page report—and I ask the members' forgiveness for having to—and if members wish I will be pleased to table both legal reports, but I do think it is important to read—

**Mr. McClellan:** On a point of order, Mr. Chairman: I am not trying to be disruptive, but I wonder if it is possible to make a copy of the legal opinion available now so we could read it as the minister reads.

**Hon. Mr. Elgie:** Mr. Chairman, I can do that if we want to delay proceedings for a moment. It is up to you.

**Mr. Chairman:** No, Mr. McClellan has indicated we can continue and it is not necessary to delay proceedings. Will you continue then, Mr. Minister?

**Hon. Mr. Elgie:** I have no objection to doing that. That is the point I am trying to make, Mr. Chairman.

**Mr. McClellan:** Why do you not read and have a copy made while you are reading?

**Hon. Mr. Elgie:** That is an interesting way to approach it.

**Mr. McClellan:** Do you not have more than one copy?

**Hon. Mr. Elgie:** I do not have more than one copy.

**Mr. Chairman:** Let the minister continue and possibly as we are carrying on the debate a copy could be made at that time.

**Hon. Mr. Elgie:** Mr. Chairman, I will have copies made of this immediately upon completion of the reading. This will be one of the copies I will table in the Legislature and give to members. The board's opinion was obtained from John J. Robinette, of the firm of McCarthy and McCarthy, and the opinion that my own ministry obtained was from the Deputy Attorney General, H. Allan Leal. If I may read it:

"We conclude, for the reasons stated below, that the clinical assessment interpretation placed by the board on subsection 1 of section 42 is correct. Firstly, we note from the materials that possibly both the Ombudsman and the select committee are attributing the board's interpretation of subsection 1 of section 42 to section 42 in its entirety. However, such is not the board's practice.

"The board's interpretation of subsection 1 as being referable only to clinical evaluation does not mean that the board will not consider other factors in arriving at compensation for the purposes of arriving at a supplemental under subsection 5 of section 42.

"The materials you sent us indicate that a wage test is used. Indeed, those materials clearly indicate that the board views assessment of compensation under subsection 5 as an assessment supplemental to compensation assessed on the clinical evaluation basis under subsection 1 and as well as compensation calculated upon a wages or earnings principle. Thus the board calculates the totality of compensation under section 42 on the basis, firstly, of the clinical evaluation principle under subsection 1, and secondly, in appropriate cases, additional supplementary compensation by application of a wages or earnings test under subsection 5.

"Notwithstanding that, the Ombudsman and the select committee seem to be of the view that the board, for the purposes of section 42, is assessing compensation only on the clinical evaluation basis and asserts that this interpretation is wrong and that the board should assess compensation thereunder on the basis of all relevant factors, for example, wages. Perhaps then some discussion of this apparent misunderstanding among the board, the ministry and the Ombudsman office and the select committee might assist in resolving the matter.

"Secondly, on the face of section 42(1), calculation of the impairment is referable solely and exclusively to the nature and degree of the



injury—that is, the clinical assessment—taken in conjunction with the rating schedule mentioned in subsection 3. There is no express mention of any other factor in subsection 1.

“Thirdly, one must look to the history of the permanent disability workmen’s compensation provisions in this province. That history gives us our conclusion. Prior to the Workmen’s Compensation Act, 1914, workmen’s compensation in Ontario was based on a right of action adversarial concept. The 1914 statute established a nonadversarial scheme and a compensation fund was the genesis of the present act.

**9 p.m.**

“Section 38 of that original 1914 act clearly and expressly placed compensation for permanent disability upon the wage test only. Section 38(1) of that act provided: ‘Where permanent partial disability results from the injury, the compensation shall be a weekly payment of 55 per cent of the difference between the average weekly earnings of the workman before the accident and the average amount which he is earning or is able to earn in some suitable employment or business after the accident, and the compensation shall be payable during the lifetime of the workman.’”

That scheme of a wage test only for permanent disability was carried through successive Workmen’s Compensation Acts until 1942. Section 2 of the Workmen’s Compensation Act, 1942, repealed and replaced the permanent disability provision. Section 40(4), as enacted by section 2 of the 1942 act, retained the wage concept and was the forerunner of the present section 42(5). Subsection 4 provided as follows:

“Where the board deems it more equitable, the board may award compensation for permanent disability having regard to the difference between the average weekly earnings of the workman before the accident, and the average amount which he is earning or is able to earn in some suitable occupation after the accident, and the compensation may be a weekly or other periodical payment of 66 and two thirds per cent of such difference, and regard shall be had to the workman’s fitness to continue in the employment in which he was injured, or to adapt himself to some other suitable occupation.”

So it was clearly the forerunner of the present section 42(5). For the very first time, however, in calculating compensation for permanent disability, we have the forerunner of the present section 42(1). This forerunner was section 40(1) as enacted by section 2 of the 1942 act. It provided:

“Where permanent disability results from the injury, the impairment of earning capacity of the workman shall be estimated from the nature and degree of the injury, and the compensation shall be a weekly or other periodical payment during the lifetime of the workman or such other period as the board may fix, of a sum proportionate to such impairment, not exceeding in any case the like proportion of 66 and two thirds of his average weekly earnings ascertained in the manner provided by section 38, and shall be payable notwithstanding section 2(1)(a).”

It is our submission that if the Legislature had intended in the 1942 act to retain the wage principle as the exclusive test for calculating permanent disability, section 40(1) would not have been required and enacted. The Legislature must have intended something by the enactment of section 40(1) and that something is, we submit, a test different from the wage test contained in section 40(4).

It is submitted that the Legislature, in section 40(1), was not simply restating a wage concept already set out in subsection 4 but was setting out as a primary basis of calculation of compensation for permanent disability a concept new and different from that of the wage test. This is the test of the nature and degree of the injury. As wages are already mentioned in section 40(4)—the forerunner of 42(5)—it is submitted that the nature and degree of the injury is not referable to wages but rather is referable only to the clinical assessment approach.

Fourth, it appears that since 1942, at least until the present conclusion of the Ombudsman, the permanent disability provisions have remained unchallenged and have been interpreted in Ontario as a clinical rating award primarily. Also, if applicable, it was an award based under some other criterion such as wage loss applied through the old section 40(4) and the present section 42(5).

For all of these reasons, therefore, we conclude that the board’s interpretation is correct. If I also may read selectively and briefly—

**Mr. Chairman:** Would that be the letter of which copies are required?

**Hon. Mr. Elgie:** Mr. Chairman, if I may read selectively from the report of April 14 from J.J. Robinette, on page one:

“I regret that I cannot agree with the Ombudsman’s opinion or the subsequent report of the select committee with reference to the proper interpretation of section 42(1) of the act. In my view, section 42(1) requires the board, in accor-



dance with its present practice, to make a clinical or medical evaluation of the nature and degree of the injury and nothing else. The present practice of the board is to arrive at a decision by a consideration solely of the nature and degree of the injury expressed in percentage terms in relation to an unimpaired body. In my view, the present practice of the board is required by the language of section 42(1)."

I gain comfort for this opinion from the language of Chief Justice Sloan who made a report on the workmen's compensation system in British Columbia in 1952. Chief Justice Sloan said, quoting Mr. Robinette:

"The Ontario board is empowered to evaluate compensation on loss of physical capacity solely, without any reference to the actual or potential future earnings of an individual claimant. The board has power under section 42(5) to make supplementary awards within the limits of the language of section 42(5). However, as far as taking action under section 42(1) is concerned, the mandatory language of the section, in my view, makes it very plain that any impairment of earning capacity of the employee is to be estimated from the nature and degree of the injury only and, in my opinion, the board cannot accept the views of the Ombudsman or the select committee. It is unnecessary for me to point out that a committee of the Legislative Assembly cannot alter the laws expressed in section 42(1) of this act."

Mr. Chairman, I therefore regret I have to advise the House that the government and the Workmen's Compensation Board cannot accept the recommendation noted as recommendation 6 in the select committee report.

**Mr. Smith:** I rise with some trepidation to take on the legal opinions of both Mr. Leal and Mr. Robinette. It is only because I have the privilege of not being a lawyer that I feel I can perhaps add a word on such a matter. I imagine most lawyers would feel even greater trepidation before taking on these two learned people—

**Mr. Breaugh:** They would want a higher fee.

**Mr. Smith:** They would want a higher fee indeed.

I take some comfort from the fact that Mr. Morand himself was a justice of the Supreme Court and has some ability in the interpretation of the law.

I would say the issue is not so much whether section 42(1) was intended to be a wage test, because I agree section 42(5) lends itself much more clearly to being a wage test, but I would

say section 42(1) speaks of estimating the degree of disability by the nature of the injury. Here we come to a question—and the minister being a doctor himself would understand this well—as to whether there is such a thing as an injury of itself that does not relate to the impact that injury has on the functioning of the entire organism.

I would submit there is no such thing as an injury. There is an injured organism, an injured person. To speak of an injury in and of itself is almost the way it is sometimes when things get a bit busy at a hospital and two doctors are talking and one will say to the other, "The most beautiful broken leg walked into my office the other day," or, "This fabulous kidney problem walked into the office." No kidney problem walks into an office. A person walks into an office and that kidney problem will have a different impact on one person to what it might have on another.

Therefore, it seems to me it is well within the possibility, in interpreting section 42(1) and in estimating the degree of disability by the nature of an injury, if the board wished to think in these terms, not to apply a wage test necessarily—a wage test can come under section 42(5)—but to apply an interpretation and an estimate of not only the injury as though it existed in a vacuum, but as it exists in the person at the time.

I would point out, irrespective of what this means in terms of wages, that for a concert pianist to lose the use of the right thumb is a heck of a lot worse than five per cent, not only in his earning capacity but in the impact that has on the person's ability to function in society, to function in a working role, to be a breadwinner, to be a father or mother or whatever the situation is.

**9:10 p.m.**

To speak of the injury to the thumb as though that injury exists in a vacuum somewhere is meaningless. An injury to the right thumb in a Minister of Labour is a hindrance and an inconvenience, but is in other ways absolutely unlikely to be part of a destruction of his entire personality, a total change in his lifestyle, or a complete alteration in his relationship to his family. But that injury in a concert pianist who has devoted his or her entire life to becoming a concert pianist is a far different matter, apart from the test of wages.

I wish people could understand that we are not just talking of applying the test of wages in section 42(1). Mr. Robinette may be right that



wages should be confined to section 42(5). We are talking of the impact of an injury on the entire person.

For example, we are speaking of the impact on an Italian immigrant who has been here for 15 or 20 years, has perhaps a grade three education from a little village in Italy, has been working in construction all his life, and who then throws out his back while carrying some heavy materials on a construction site and is totally unable to work.

I am not simply saying to apply the wage test in section 42(1) that might be applied in section 42(5). I am saying, consider the impact on that person who is now no longer a breadwinner; who cannot hold his head up in the family any more as a person supporting a family; who is no longer in a position to gain respect in the traditional manner from his children, his relatives and his neighbours; who becomes deeply distraught and depressed and might even take to drink as a consequence of this; whose general ability to function in the home becomes almost negligible; who is underfoot most of the time until his wife is tired of him; and whose family breaks down totally.

Think of situations of this kind. To say that his estimate of injury should be based on the injury as though the disc in his back could be removed from the person and regarded in comparison with a disc in the back of the Leader of the Opposition or the Premier of Ontario (Mr. Davis) is absolute nonsense. It is convention, it is custom, there is no question that is how the board has been operating. But Mr. Morand, the Ombudsman, says the board does not have to be so narrow in its outlook, and I say Mr. Morand is correct in this view.

I do not necessarily say that section 42(1) can be strictly in and of itself a wage test. That is not the question I put to you, Mr. Minister. I put to you that the entire effect on the persona, on the personality, on the personal role of the individual, on his whole life, is what has to be taken into account.

To say that a disc is a disc is a disc, no matter in what back the disc happens to have been displaced, or that a thumb is a thumb is a thumb, no matter in what arm that thumb has been injured or in what person, in what family or in what circumstance, is the narrowest kind of meat chart approach and is totally wrong. Not only is it wrong—and therefore new legislation should be brought in to change it—it is not even necessary under the present legislation.

Mr. Robinette may be right, and God knows I

am not going to argue with him on legal matters. He may be right that section 42(1) cannot be a wage test, but it can be a test of the extent of the injury without narrowly defining injury to the geographic part of the body and its precise anatomical place in the body. It should be taken to be the injury to the whole person in his work, in his personality and in his family.

That is the argument and I hope the minister can understand it. I hope that being a surgeon he has not forgotten that you do not operate on organs, you operate on people. The injury is not an injury, it is only part of an injured person.

That is the distinction I think the Ombudsman is trying to draw to the attention of the Workmen's Compensation Board when he says you do not call a thumb a thumb and it is five per cent in everybody. It can be a heck of a lot more than five per cent in some people and not just based on wages and how many dollars might or might not have been earned. That can be added. I believe that is the fundamental point.

It is easy for the minister to just sit back and say Robinette said section 42(1) is different from section 42(5), or Leal said this or that. That is all very well. But the minister happens to be a man for whom I have a certain amount of personal respect. He is one of the few people in this cabinet who has the capacity to think for himself. If the minister does think for himself, he must surely recognize the validity of what I am saying, that there is a third point.

It is not just a question of the injury versus a wage test, an estimate of the injury versus an estimate of the wage loss. There is the third point; that is, to define the injury as broader than just the precise organ and the number of centimetres that happen to be affected, to define the injury in terms of the injury to the whole personality, to the whole person, to the whole being. And that is not being done now.

What happens now is that the guy is given 25 per cent for his back, and yet his whole life is destroyed. So the board says: "Well, just a minute. Maybe he's sad; maybe he's depressed." And the guy says: "Yeah, I'm depressed." The board says: "Aha! Good. We'll give him another 10 per cent for psychiatric disability." They take a guy and make him into a psychiatric case because then, if he is called a psychiatric case in addition to a lumbar spine case, he qualifies for two anatomical disabilities and it gets a little closer to what he really ought to have.

But you cannot start dividing people up and saying this much of their problem is the back, this much is the fact that the back has driven



them crazy, this much is the fact that maybe they were a little crazy before the back hurt them, and this much is the fact that their back is hurting more because they are a bit crazy. Maybe the back is hurting more because they are a bit crazy, and they are a bit crazy because the back is hurting more. This is the kind of ridiculous argument you get into at the Workmen's Compensation Board today. The minister knows that. He must surely understand that as a physician. I simply say to the minister that, as a physician and a politician, he does not have to do that.

What the Ombudsman, Mr. Morand, is saying is that under section 42(1), without applying a wage test necessarily, the minister can define the injury in broader terms than just a narrow geographic area of where the injury has occurred. It seems to me that rather than expanding it only by calling people psychiatric cases, if the minister could expand it by actually allowing the application of a broader definition of an injured organism or an injured person, he would be in the spirit of what the Ombudsman is suggesting.

The minister would also do himself a great deal of credit, as well as the various people who are referred to in the Ombudsman's submission. I think, therefore, the minister is wrong to rely so narrowly on Mr. Robinette and Mr. Leal, who may be correct as far as they go. But the minister is missing the main point, which, as a physician, he should understand, that you cannot continue to rate people when you are speaking of the extent of the injury by speaking of the geographic extent of the injury; you have to understand the functional extent of the injury, the impact on the person.

There is nothing in section 42(1) that rules out the functional extent of the injury being the guide, rather than the anatomical extent of the injury. That is the difference. I would think that would not be beyond the comprehension of the minister, and I would hope the minister would reconsider his position, and go back and think about it again, before opposing this recommendation of the committee.

**Mr. McClellan:** Mr. Chairman, I should say, first of all, I have advised the House that this is a case that I, myself, referred to the Ombudsman. I referred it four years ago, in 1977, and it has taken that long for it to get back out of the hopper and before us today.

We are not dealing with an abstraction. We are dealing with a man who is 60 years of age. He is an Italian immigrant. He has worked in construction ever since he came to this country.

He had two accidents on the job involving his back. He has a herniated disc. He cannot work in construction any more.

He receives a disability pension under the Canada pension plan; that is to say, in the view of the Canada pension plan, this man is totally unemployable. He cannot work. But the Workmen's Compensation Board, using the clinical rating schedule—the minister does not like the use of the term “meat chart,” but that is what my folks call it—has given this man a permanent partial disability pension of 20 per cent, which at last look was something like \$130 a month. It is probably higher now.

**9:20 p.m.**

There is something very wrong here, and this case goes to the very heart of our quarrel with the administration of the Workmen's Compensation Act in this province. That is why I made the referral to the Ombudsman four years ago to ask him to make a determination on this precise point: Is the board bound by law to award pensions solely on the basis of the clinical rating schedule, or has the act give the board some degree of flexibility with respect to folding in an impairment of earning capacity factor?

The Ombudsman has made his ruling and the select committee has supported it. I want to deal with the way that the Workmen's Compensation Board responded to the select committee before I talk to the minister about his response here tonight. I hope his mind is not completely made up on the issue. I hope we are engaged in a debate and not in a futile exercise. I believe we are engaged in a debate.

When the recommendation of the Ombudsman was turned down by the Workmen's Compensation Board, he so reported to the committee and we had hearings. We called officials of the WCB before our committee. We reviewed the Ombudsman's investigation, and we reviewed the response of the WCB. The WCB representative justified the board's interpretation of section 42(1) by showing to us a document dated January 29, 1980, directive number five that had to do with the administration of the board's policy for the administration of section 42(1).

Unfortunately, the WCB's representative thought that directive applied only to section 42(5), despite the fact that it was entitled “Section 42(1).”

We then looked at this directive and at section 11 of directive five. It is clear from section 11 of directive five, established by the board itself as its policy for the administration of section 42(1), that the board does have the



capacity to make its decisions with respect to section 42(1) awards on factors other than the clinical rating schedule. They are set out in this section 11 of the policy directive of January 29, 1980.

The Workmen's Compensation Board representative was a little bit confused, because he had not thought this directive applied to section 42(1) until it was pointed out to him that indeed it did; he conceded it did, and he was a little bit at a loss to explain the situation. The committee gave him an opportunity, by adjourning its proceedings, to seek a clarification with respect to the meaning of that directive.

Lo and behold, when we resumed hearings, the WCB not only had obtained a clarification of directive five but also had rewritten the whole directive. The new directive with respect to section 42(1) is dated August 5, 1980. Between the time that we had our first hearings on this case and the time that the WCB reported back, they rewrote the directive.

Some of the members of the committee interpreted that as an attempt to close the doors to what appeared to be an inadvertent loophole. I want to say to the minister that I do not think an after-the-fact rewriting of the rules in response to an Ombudsman's recommendation is any way for any governmental organization to respond. It is just totally inappropriate, yet that is what the Workmen's Compensation Board did.

Nevertheless—and I hope the minister is listening—the new directive, dated August 5, 1980, entitled "Directive 1: Guidelines for the Rating of Permanent Disability"—it is attached as schedule E of this committee's eighth report—sets out all the criteria and procedures for establishing permanent disability ratings under section 42(1).

I refer the minister's attention and that of all honourable members to page 76 of the report. It is the final paragraph of this directive and reads as follows:

"Cases Not Meeting General Criteria: Permanent disability cases which do not meet the general criteria should be individually judged and dealt with equitably and fairly having regard to all the circumstances." Now what could be clearer than that?

The board, in its own policy directive interpreting the application of section 42(1), has given itself a discretionary flexibility to judge cases individually and to deal with them equitably and fairly having regard to all the circumstances. So the board has clearly established in

its own directive that it is not limited in awarding permanent partial disability awards to a rigid application of the clinical rating schedule. It is as clear as day. All of the obfuscation in the world, of all the lawyers in the world do not take that fact away. They cannot take it away, because it is right here, and the minister cannot deny it.

I look at Mr. Leal's report and he gives a learned explanation as to why the wage test cannot be the exclusive test. I quote again: "It is our submission that if the Legislature had intended in the 1942 act to retain the wage principle as the exclusive test for calculating permanent disability, subsection 1 of section 40 would not have been required and enacted."

Nobody is saying that. Nobody is saying that a wage test is supposed to be an exclusive test. We understand the language of the act, thank you. We understand that the act establishes a clinical rating schedule and that virtually all cases will be adjudicated in accordance with a clinical rating schedule. We understand the problems with that; Weiler addressed them, and we are awaiting legislation that will deal with that problem. But in the meantime the Ombudsman has ruled, the select committee has supported him, and the board's own directive says it as plainly as the nose on my face, that the board has the flexibility to deviate from the clinical rating schedule where circumstances warrant.

Again, the board's directive refers to "cases which do not meet the general criteria." That is all we are saying to the minister and to the government, that the compensation board has a discretionary flexibility under the act. It will not be exercised in all cases. In fact, it will only be exercised in a very small minority of cases. I believe this case typifies the kind of situation in which this flexibility must be exercised. Justice demands it.

I point out to the minister that the Ombudsman has indicated to me and to a number of my constituents, by letter, that he has on file approximately 100 cases that are exactly the same as the case before us tonight. That is not an insignificant consideration. We are talking about individuals who have experienced a very deep suffering, and we have the means of redress available to us and at hand in this committee report. We can adopt this recommendation and we can bring a measure of relief of that suffering to many people.

I do not think we need to get hung up on whether wage test is an exclusive test. That is not the issue. We are not talking about a



fundamental deviation from the established practices of the board; we are talking about a discretionary flexibility.

**9:30 p.m.**

Finally, I think this case has enormous implications for the work of both the Ombudsman and the select committee. I do not appreciate the way the Workmen's Compensation Board responded to the Ombudsman's recommendation by rewriting its directive after our first hearing. I do not appreciate the way the Workmen's Compensation Board turned down the Ombudsman's recommendation before it had obtained the opinion from J.J. Robinette and from Mr. Leal. I stand to be corrected but, as I understand it, that is the sequence.

I think the board's own directive, the reputation of the Ombudsman as a jurist and the integrity of the select committee are what is at issue in this case. Now that it has a majority, the government has a responsibility to signal, not to members of the committee but to the people of the province, that the office of the Ombudsman is unchanged as a result of what happened on March 19. Just because the majority is not controlled by the two opposition parties but by the government party should not make a whit of difference.

**Mr. Smith:** Quite the opposite.

**Mr. McClellan:** The Leader of the Opposition is correct. The government has an opportunity for a kind of magnanimity and generosity of spirit that it must not repudiate on this vote here tonight, and not on this issue. I almost beg the government not to repudiate this recommendation which, after so much bitterness and turmoil in the community that I represent, for example, after all the struggles about the Workmen's Compensation Board, was acknowledged by the government to have a validity as reflected in the appointment of Weiler.

We have a case before us that deals with the nitty-gritty issue, impairment of earning capacity. It does not impose anything with rigidity on the Workmen's Compensation Board. It says, if you want, you can be generous in individual instances. If you want, you can have the flexibility to say to an injured worker: "Your circumstances are special. Your suffering is unique. You do not fit into the mould. You are not a square peg that we can force into a round hole. We are going to look at your individual situation and in our wisdom and in our generosity make a provision that takes the whole man into account."

I very much hope, Mr. Chairman, that we are

engaged in a debate here tonight and that what I have said will have some impact on members opposite.

**Mr. Haggerty:** Mr. Chairman, I want to address myself to the Ombudsman's report. In particular, I am not too pleased that the minister is not accepting the recommendation of the committee which reads: "Accordingly, the committee recommends that the Workmen's Compensation Board revoke its decision dated July 27 1977, and grant the complainant an increase in his permanent partial disability award of 20 per cent pursuant to section 42 of the Workmen's Compensation Act."

The minister does not want to address himself to the problems the injured worker faces when making a claim or an appeal to the Workmen's Compensation Board. The Paul C. Weiler report, *The Reshaping of Workmen's Compensation for Ontario*, says on page 53: "The basic criterion for permanent partial disability benefits currently ignores the diverse ways in which a specific physical trauma can impinge on the real-life situation of different workers. The act directs the board to estimate the extent of earnings impairment from the nature and degree of the injury. It goes on to invite the board to develop a rating schedule of percentages of impairment of earnings capacity for specific injuries."

"The system contemplates a clinical judgement about the immediate condition of the worker's body in which it is natural that the board's doctors play a dominant role. But then it uses this estimate of the degree of physical impairment to determine a percentage of occupational disability and earning loss, a percentage which is applied to the worker's previous income to generate the relevant pension benefit."

The report goes on to say: "The notorious meat chart is the logical result, dictating that the loss of an arm will produce a pension benefit of 70 per cent of previous earnings, loss of a leg of 50 per cent, and so on. It is child's play to sketch examples which show the anomalous, even absurd, results. A staff lawyer who loses his left hand, perhaps in a car accident while driving to court, would receive a lifetime pension much higher in amount than would a labourer because of the difference in their previous earnings to which the percentage rating is applied. This is so, even though the lawyer would suffer no long-term income loss at all, while the labourer, who might be theoretically capable of performing a different job, might be unable to find

suitable and available work because of his personal characteristics—age, literacy or skills—environmental factors, geographic location or economic conditions.

“The clinical rating system is not unique to Ontario’s legislation. Its origins have long since receded into the mists of time. Presumably, it was founded on the premise that within the relatively narrow spectrum of occupations then covered by the program there was a rough correlation between the degree of physical impairment and extent of earnings lost, although this has never been documented and recent studies show the claim to be spurious.

“Be that as it may, this central ingredient of workers’ compensation has now totally lost any legitimacy which it might have ever had. People no longer tolerate the inequities in individual cases which are produced by a system of average rough justice. Using the earlier example, it is obvious that the labourer and his family cannot survive on a pension of a fraction of his previous income. The same act which offers only the facade of adequate compensation for his real-life economic losses also denies him the right of access to the courts to try to recover the difference.”

If one looks at some of the injuries that occur to the injured workers in the province—and the minister is not a lawyer—I am sure if one took the case to the courts it would be different. I do not know who judges the clinical ratings of an injured worker at five per cent, 10 per cent or 15 per cent. Sometimes I question their ability in this particular area. Are they approaching it as a human being?

If they go to the court, for example, in many cases for an automobile accident, some persons may not be as severely injured as a worker and yet their settlements in the court can range up to \$150,000; they can even get \$100,000 for an injured leg. What the worker gets when he is injured in that particular category from the Workmen’s Compensation Board may be a pension of \$60 a month for a partial disability pension. Look at what he gets in total income. Look at the amount of money that is set aside by the actuaries who set aside a certain amount of funding for that, say, \$16,000 or \$20,000. I think it only works out about 10 per cent interest on that money. That is all that the injured worker gets.

If the clinical rating were at \$100,000, as in many cases it should be, then I am sure at 10 per cent that person would have some better income through his disability.

I was interested in Bill 7, An Act to revise and extend the Protection of Human Rights in Ontario. In section 4, if I can quote this: “Every person has a right to equal treatment in employment without discrimination because of race, place of origin, colour, ethnic origin, citizenship, creed, sex and record of offences.” I will stop there. It goes on to say further, “or family or handicap.” But I am looking at “record of offences.” A person today in Ontario who receives an injury is treated as though he has a record of offences, because he is blacklisted in many cases so that he cannot gain suitable employment.

**9:40 p.m.**

That is the point I want to bring to the minister’s attention. The minister should be accepting this particular recommendation by the Ombudsman, that his earning capacity has been lost. Section 42 may give it back to him for a period of three months, but then it is withdrawn again. I suggest to the minister that a person who is injured today is considered, in a sense, to be a criminal. He has a record such that he cannot be gainfully employed.

There is an industry in my area that, because a person has had a back injury—a problem with a vertebra or a dislocated hip—will not hire him back into the plant. They refuse to take him back, and they say, “We fulfilled our responsibility, our share of damages at 10 or 20 per cent, \$80 to \$100 a month pension,” without any consideration that they have denied this person the right of full employment again.

I have had the minister’s field workers in the area down there going out to try to find jobs in other industries. As soon as another industry finds that a person has a compensation record claim—and they can find it out—they refuse to hire that person, and if he goes before them and lies on the application they will find it out and he will be dismissed.

I suggest to the minister that there should be an amendment to the Ontario Human Rights Code in section 4, that injured workers are being discriminated against and this minister is permitting it to take place under the sections of the Workmen’s Compensation Act, because it is taking place every day and the minister knows that. The report indicates that there have to be improvements in this area so that when a person loses his income, regardless of what degree of injury there is, his family should not have to suffer for it.

I have made a number of appearances down at the board. Sometimes when there is a rating



for a permanent partial disability it bothers me most when I sit there with a claimant, and particularly when the person looks down the questionnaire and sees the question, "Does your spouse work?" If he says yes, that means he is going to lose another 10 or 20 per cent, because that is the way they rate permanent partial disabilities down at the board. I do not think that is the intent of workmen's compensation in Ontario. If a person is injured and cannot be gainfully employed with that injury, then compensation should be paid to the maximum.

Often they will tell you right down at the board that the person should apply for a pension under the Canada pension plan. As I interpret the Canada Pension Act, that person has to be permanently unemployable or disabled. When the board takes that attitude and says this, then I think it has a bigger obligation to make sure when that person is placed on a permanent partial disability that there is sufficient income there to maintain that family the same as if he were fully and gainfully employed.

It is regrettable. I do not think the minister is aware of the delays that go on down at that board for some unknown reason. It is worse now under the new chairman than under Starr. I had far greater respect for Mr. Starr when he was chairman of the board. He would listen to the claimant at an appeal hearing. He was very helpful in this area. Today you never see the chairman down there. There is a backlog of delays in bringing forward claims for the workers.

If the minister is not aware of it, he should take a trip down there some time, because it is present every day. He can talk to some of the employees and they will tell him the same thing. They do not know the reasons for it. To get an appeal now to the third stage takes you almost a year and a half. I do not know what it is that brings about the delays; is it poor management down there? There has to be a change in the head down there, because that man is not doing his job. There is no direction given to anyone. I spend enough time there to know this, and I am sure other members on this side do too.

There is a problem, particularly with section 41 of the act and there has to be a change.

**Hon. Mr. Elgie:** We are on section 42, not 41.

**Mr. Haggerty:** Sections 41 and 42 are two areas that should be changed, permanent partial disability and the other. Where a person cannot gain employment because of his injury, then section 42(5) should apply, and he should have

continual benefits so he does not have to run to welfare to carry his family. He would not get too much from welfare anyway.

The minister should move in this direction and do something to improve workmen's compensation. He should not wait for the second Weiler report to come forth before acting upon it. He should act upon it now and bring some decency to the Workmen's Compensation Board.

**Mr. Di Santo:** Mr. Chairman, I must express my disappointment in the position taken by the minister, because I would have expected he would concur with the recommendation of the Ombudsman and with the recommendation of the select committee. In fact, he took a step two years ago when the Workmen's Compensation Board refused to go along with the recommendation of the Ombudsman, and he wrote a letter to the then chairman, Michael Starr, telling him he should not disregard the recommendations of the Ombudsman, especially when they were endorsed by the Legislature.

I really do not understand why, in this case, the minister is taking a legalistic stand that the Leader of the Opposition said may be sustained on a legal basis but does not reflect the reality of the cases we are talking about.

My colleague the member for Bellwoods (Mr. McClellan) said that the Ombudsman dealt with one other case. I have five other cases. We are not saying on this side of the House that we should revamp the act completely. We are not saying that we should change the assessment system based, as it is now, on clinical findings. We are saying, and I think the Ombudsman says this, that in cases that are not usual cases, in particular cases, the Workmen's Compensation Board should take into consideration factors that are relevant to the functioning of the injured worker.

The Leader of the Opposition put it very well when he said one cannot consider an injury per se, one has to consider the injured worker. He is right, because the people we are talking about are people who are functionally disabled and cannot work, not only for clinical reasons but also for many other functional reasons, such as skill, language, and education. By taking this approach, which is cynical, the Workmen's Compensation Board and the minister are treating these people as a commodity. They were used while they were able to work; and now that they are not able to function, they are thrown out of the system.

That is really cruel. These are the people who cannot be re-employed to begin with, because



this province does not offer a mechanism that can help people who are disabled to be re-employed as many other jurisdictions do. For those people who have an injury of this nature that on the basis of the schedule can be rated 10 or 20 per cent, it means actually that they can no longer work, cannot function in our society and cannot function in their families.

**9:50 p.m.**

I want also to tell the minister that the way the rating itself is done now is wrong. He knows that. We know the Workmen's Compensation Board does not take into account the opinions of the family doctors who, since they have been taking care of them for many years, are closest to the injured workers. They rarely take the opinion of specialists into consideration. The final word always comes from the board's consultant.

The minister is well aware of an example I want to mention because it is sad, it is tragic in a way. An injured worker, one of my constituents, was assessed at four per cent disability last year. After long dealings with the minister, on his suggestion she was referred to Dr. R. G. Vanderlinden, who said her physical disability and functional disability could not be separated. They are inextricably linked, and this lady is disabled 100 per cent.

I expected the opinion of Dr. Vanderlinden would be binding. The Workmen's Compensation Board still decided the physical disability was four per cent and it would grant a functional disability for one year. What happens after one year? I wrote a letter to the minister asking that the case be reviewed as the board had promised one year ago. Yesterday she received a letter from the Workmen's Compensation Board referring her to a psychiatrist.

I ask the minister, what kind of logic is that? Is that the way injured workers should be assessed? Is it for the reason the Leader of the Opposition mentioned before, that it wants to try to separate a physical disability from a psychological disability so that in the final analysis it can discharge the injured worker with the least possible pension?

Time is running out. I think, as my other colleagues have said, we are dealing with a restricted number of cases. Yet these are the saddest cases and I ask the minister, I beg him, not to oppose the recommendations of the Ombudsman. They are not intended to revolutionize the Workmen's Compensation Act. They want to deal with some specific cases, and we expect him to show some compassion for those injured workers.

**Ms. Copps:** Mr. Chairman, since I am new to the House, I may not understand the machinations and the workings of the Ombudsman vis-a-vis the Workmen's Compensation Board, but it does seem to me there is a question of credibility here. There is a question of the credibility and responsiveness of the Workmen's Compensation Board, first, to the Ombudsman and, second, to the select committee on the Ombudsman.

I find it somewhat difficult to understand why the Workmen's Compensation Board did not attempt to get an outside legal opinion by such an expert as J. J. Robinette prior to the decision by the Ombudsman vis-a-vis section 42(1).

Since we are dealing with a case that reflects the problem of section 42(1), I ask the minister why it is that Mr. Donald Morand wrote to the vice-chairman of appeals of the Workmen's Compensation Board on the subject of section 42(1) early this year and was advised on February 12 that the board was not in a position at that time to comment on his conclusions and recommendations and was content with his making a final decision without further representation.

That was in February of this year. Now, when recommendation 6 is to be accepted by this House, we have a last-ditch attempt at a legal opinion by J. J. Robinette.

I ask the minister to put himself in the position of these 130 people, by the Ombudsman's count—and probably many more than that—who believe the Ombudsman is the final arbiter in questions of government competence, who believed that they went through the right process of appeal and had a ruling in their favour by the Ombudsman, who believed in the justice of this government and in the fact that they would receive recompense.

Instead, the WCB, without even deeming to go through the select committee or without even deeming to advise the Ombudsman, goes to an outside source, gets a second legal opinion and then, on the night the report is to be accepted, we receive the suggestion that item six should be withdrawn.

I respectfully submit that if we are to maintain the credibility of the office of the Ombudsman, and if we as legislators are to rule on case studies in the select committee on the Ombudsman, the dismissal of item 6 will undermine the credibility of the office. We might as well do away with the Ombudsman.

I cannot go back to my constituent, who has lost \$200,000 in wages over the last 12 years—and his case goes back to 1969—and say, "The



Ombudsman accepted your case but J. J. Robinette argued against you and therefore this Legislature has turned you down."

I want to go back to him and say: "You have gone through due process. Your opinion has been accepted by the Ombudsman; it has been accepted in a unanimous opinion by the select committee of this Legislature and no lawyer, no matter how well respected, is then at that final step in the process going to be able to submit an alternative opinion that is going to throw it all out the window."

I ask the minister to consider this and to consider the implications for the credibility of the office and the impartiality of the Ombudsman if item 6 is withdrawn or defeated.

**Mr. Mackenzie:** Mr. Chairman, can you tell me how much time there is?

**Mr. Chairman:** I understand we have until 10:15 p.m.

**Mr. Mackenzie:** There are two or three things I want to cover in this brief debate. On page 72 of the report of the select committee on the Ombudsman, 1980, we have set out guidelines for the rating of permanent disability. It simply says:

"The medical services division is responsible for the estimation of clinical impairment in injured employees. The claims adjudication branch, claims services division, is responsible for estimating the impairment of earnings capacity and establishing the level of post-accident permanent disability. When estimating the impairment of earnings capacity from the nature and degree of the injury and establishing the level of post-accident disability, consideration is to be given to section 42 of the act as a whole and determination made if any of the various subsections apply."

There is one more paragraph I want to read:

"The permanent disability medical staff shall estimate the degree of clinical impairment from the nature and degree of the injury and recommend an appropriate clinical rating in all cases except those where the rating can be established from medical reports on file; for example, finger amputations. The ratings should be expressed in terms of a percentage in accordance with the provisions of the approved permanent disability rating schedule."

The directive of the board itself indicates that consideration of permanent disability shall be directed towards loss of earning capacity or, more correctly, as stated in the Workmen's Compensation Act, section 42:

"Where permanent disability results from the injury, the impairment of earning capacity of the employee shall be estimated from the nature and degree of the injury and a sum proportionate to such impairment not exceeding in any case the like proportion of 75 per cent of his average weekly earnings during the 12-month period immediately preceding the accident or such lesser period as he had been employed."

Somewhere along the line the impairment of earning capacity got lost in the shuffle. The present practice of the board has been that where any—and I literally mean any—permanent residual disability is accepted by the board then it is awarded a percentage rating either on a temporary basis or for the duration of the disability or for life.

**10 p.m.**

Obviously, the system already has a built-in penalty to the worker who gets only 75 per cent of the pre-accident earnings for the 12 months prior to the accident, and not even net disposable income. I would argue that this should be based on gross income so that the employee can maintain all the benefits he is losing by not being on payroll with the accident employer. But, as with all things in this society of ours, geared to the private enterprise system, God forbid that we make the employer responsible for anything more than the basic minimum of protection for the worker who is creating the profits of that particular plant.

So, aside from my argument that any kind of rating system should be based on something more realistic than 75 per cent of pre-accident earnings, I feel strongly that loss of earning capacity or impairment of earning capacity has been set aside and a system of a more blanket allotment of pensions has been instituted which in many cases totally ignores the principle of loss of earning capacity.

I want to use three examples, if I may. The first example is that of a labourer who has known only hard, physical work all of his life, either on a construction site or inside a plant operation, doing a lot of heavy lifting and bending, who injures his back. His family doctor says he can return to work in a job that requires no heavy lifting or bending. The board doctor says he should do no heavy lifting or bending. If you look at step one of the board's approach to the man on a rating of permanent disability, this man should qualify for a permanent total disability under the terminology of impairment of earning capacity.

I agree this impairment of earning capacity is

not necessarily permanent or for a lifetime. The terminology "for the duration of the disability" applies more often than not in these types of situations.

In situation two, an office worker, generally a female who has a regular load of typing during the job performance, has an accident to her right hand, and there is an amputation of the thumb and part of the second finger. Most of the members in this House have probably never thought of it, but that worker's job as a typist would literally go out the window. The right hand does the majority of the work on a typewriter.

According to the famous meat chart—and that is exactly what it is—as used by the board, if I am reading it correctly, this means that this person would receive a seven per cent permanent pension award. Subsequently, the seven per cent probably would be computed to a lump sum payment. Under the present terms of section 42, this should qualify for a permanent pension under impairment of earning capacity, as this individual cannot return to pre-accident employment.

In the third case, a worker who is a truck driver injures his back and cannot return to driving as a living, in the opinion of his own attending physician and as agreed to by the Workmen's Compensation Board medical staff. The individual is rated as 25 per cent permanent disability for life. Subsequent to the physical disability and getting to the point where it is healing up, the worker develops what is referred to as "functional overlay," which is a polite term for saying that he has no physiological or mental problem.

There is a very prolonged fight with the board to get the functional problem recognized under the board's criteria. I think all of us have been involved in cases like that. His own attending psychologist appears at the hearing in person and testifies that the man cannot and will not ever return to work, that he is beyond obtaining helpful assistance through counselling and is not employable.

The original award from the board is 25 per cent temporary for the functional problem. After appeal, the board changes the award to 25 per cent permanent for the functional problem. This means a total of a 50 per cent permanent disability award rating from the board. I have had cases like that, and I am sure other members have as well. Everyone agrees that this man will never return to work. The Canada pension plan is paying him a total disability pension as he is permanently disabled from employment.

There is not much doubt in my mind, nor in the opinion of the attending medical physician or the attending psychologist, that the impairment of earning capacity of the employee is total and permanent. But does the board apply this logic? No. It has set up its meat chart; so the injured worker must and is made to fit into one of the appropriate categories. They can give their percentage of rating and feel somehow or other that justice has been done.

In all of these cases, I am simply saying it only seems that justice has been done. Yes, the workers have been compensated for the accident; but have they been compensated appropriately? That is the question. I am not going to go into all of the details of Weiler's suggestions, but I think there are some good ones.

**Mr. Chairman:** Excuse me, Mr. Mackenzie. I do not mean to bring you to order, but I have taken Mr. McClellan's comments to heart in terms of selecting specialized cases on a continuing basis. If you could refer to them more in regard to recommendation 6, I am sure the committee would be appreciative.

**Mr. Mackenzie:** Let me just wind up by referring to the famous meat chart, to Weiler's referral to it. Weiler also refers to a system whereby lump sums should be awarded in situations where there is no impairment of earning capacity—when you take into consideration the occupation of the injured employee but there remains some disability because of the employment situation.

There are a number of other points that I would have liked to have made in this debate, but basically I am saying that we simply have to relate the awards much more to the job and to the earnings of the employee and less to this kind of percentage or meat-chart approach, which is hurting and damning a hell of a lot of injured workers.

**Hon. Mr. Elgie:** Mr. Chairman, as a final remark, I do not think anyone—certainly not the Leader of the Opposition—is suggesting that I, as a physician who has had a great deal of involvement in the problems of injured workers, do not understand or appreciate the problems of injured workers. I do not think he really was saying that, because I think he and I actually have many views in common about the problems of injured workers.

But tonight we are not debating what is or is not right. He knows, and this Legislature knows, it was at my initiative that Professor Weiler was appointed to review the Workmen's Compensa-



tion Board with a view to reforming certain aspects of it, some of which the member for Hamilton East (Mr. Mackenzie) has referred to. But the facts of life, whether we like them or not, are very clearly expressed in the final paragraph of Mr. Robinette's letter, and that is a reality.

I think it is unnecessary for me to point out that a committee of the Legislative Assembly cannot alter the laws expressed in section 42(1) of the act. We cannot, on the report of a committee—

**Mr. Smith:** The Supreme Court says differently.

**Hon. Mr. Elgie:** My friend, that is not the way of the world. It is not possible, on a recommendation contained in a select committee, to alter the substantive truth and reality of the law.

**Mr. Smith:** You do not have to alter it; you interpret it differently.

**Hon. Mr. Elgie:** When that interpretation has been clearly outlined in two reports—and the member for Hamilton Centre (Ms. Copps) was surprised that the board had not got a report from Mr. Robinette until April—obviously they acted on their internal legal opinion. If she refers to the letter from the Deputy Attorney General, she will note that as soon as my office became aware of the decision of the Workmen's Compensation Board we did seek a legal opinion from the office of the Attorney General (Mr. McMurtry).

I have no way of knowing why the board delayed for some time to get the outside opinion. But nevertheless they did get an outside opinion to support their internal opinion and, as soon as I became aware of the decision not to accept the Ombudsman's report, I had a legal opinion prepared from the Attorney General.

I do not think, as the member for Hamilton Centre suggests, and as the member for Bellwoods (Mr. McClellan) has suggested, that we are involved here in criticizing the role of the Ombudsman or that select committee because—the member for Bellwoods can giggle all he wants; I know he sometimes does that.

**Mr. McClellan:** I am not giggling; I am disgusted.

**Hon. Mr. Elgie:** But if he reviews the history and the effectiveness of this committee he will see that the number of cases brought before the committee has been reducing every year, and the number of cases coming to this Legislature has been reduced every year, to the point that tonight we are down to one. If that is not

accepting responsibility and responding to representation both from the Ombudsman and from the select committee then I do not know what is responsible.

This Legislature cannot overrule the interpretation of the statute. We cannot operate on the basis of what we think something else should be, because we are now in the midst of reviewing recommendations to reform the Workmen's Compensation Act. The speech from the throne clearly indicated the government's intention to proceed on those.

Mr. Chairman, I have no alternative but to oppose recommendation 6.

10:10 p.m.

**Mr. Breaugh:** Mr. Chairman, I want to know on what basis a legal opinion brought before this Legislature, just before the debate begins, is taken in any quarters as a fair hearing of this recommendation. I could say that I have in my pocket a legal opinion from that guy Twaddle, who beat Robinette. If I put that one on the table, does it then overrule Robinette's version?

Is the minister saying he has gone to a court and got a legal decision there where both parties were allowed to be represented by lawyers? Is he saying that after the legislative committee and the Ombudsman and the Workmen's Compensation Board and everybody else have had their kick at the cat, all he has to do is to get some lawyer to give him an opinion, put it on paper, stick it in his pocket and, when it comes in here, that opinion overrules this House?

**Hon. Mr. Elgie:** On a point of order, Mr. Chairman: It is the opinion of the Attorney General (Mr. McMurtry), and I ask the member to withdraw that comment.

**Mr. Breaugh:** I want to remind the minister, the Attorney General is another lawyer—not a court, but a lawyer. I want to pursue the point of order that has just been raised by the Minister of Labour. I want a ruling from the chair on whether you are prepared to accept the legal opinion that has been presented here tonight as firm and binding on this Legislature. Who writes the laws in this province, this Legislature or J. J. Robinette? Maybe the rules have changed a hell of a lot since March 19, but I do not really think they have changed that much.

**Mr. Chairman:** Any further debate? I see no further debate on recommendation—

**Mr. Breaugh:** Mr. Chairman, I asked you for a ruling on whether you are prepared to accept the legal opinion that has been tabled in some manner during the course of this debate. I

understood—I may be mistaken—but I always thought that when this House was in session and one wanted to have a ruling on something, one turned to the chair and the chair would give a ruling. I realize the chair is a little closer to that side these days.

Interjections.

**Mr. Breaugh:** I did ask the chair for a ruling, and I think any member standing in this place is entitled to at least get a ruling from the chair.

**Mr. Chairman:** Here is the ruling: In my learned opinion, I am not making a ruling on this so-called point of order, and we are looking further to see if there is any discussion on recommendation 6. I see there is no further discussion.

**10:25 p.m.**

The committee divided on recommendation 6 of the report of the select committee on the Ombudsman, which was rejected and struck from the report on the following vote:

Ayes 25; nays 57.

On motion by Hon. Mr. Wells, the committee of the whole House reported a certain resolution.

On motion by Hon. Mr. Wells, the committee of the whole House reported concurrence in the recommendations of the eighth report of the select committee on the Ombudsman, as amended.

Motion agreed to.

The House adjourned at 10:30 p.m.



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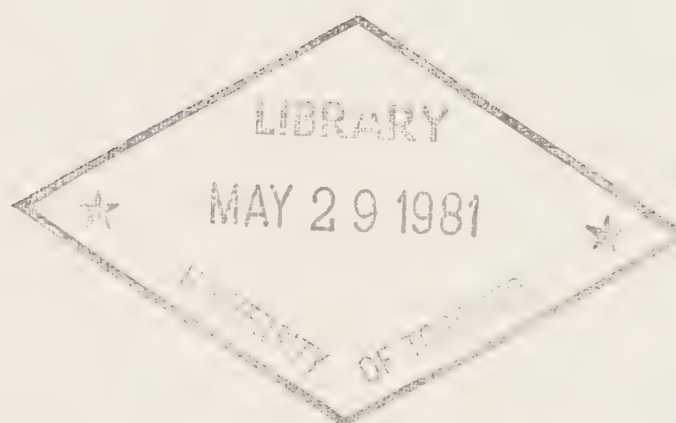


Ontario, LEGISLATIVE ASSEMBLY

No. 21

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Friday, May 15, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Friday, May 15, 1981

The House met at 10 a.m.

Prayers.

## QUESTION ON NOTICE PAPER

**Mr. Bradley:** A point of order, Mr. Speaker: You will recall that a series of questions was placed on the Notice Paper last October requesting information on the advertising budgets of each of the ministries of this government. The interim answer that was given in November was that more time was needed to provide these answers.

The same series of questions was placed on the Notice Paper on April 30, 1981, and we now have an interim answer that the information will be available around mid-June. It appears the Premier (Mr. Davis) is telling the House that it is going to take this government some eight months to compile figures on the amount of money spent on advertising in this, an election year.

What I am asking of you, Mr. Speaker, is that, since the government advertising budget has doubled to some \$24 million in this election year, will you secure an undertaking from the Premier that he respect the rules of this House and give the members of the House the answers to those questions before the session ends? Otherwise, we will have no alternative but to assume that the government has something to hide.

**Hon. Mr. Wells:** Mr. Speaker, on that point of order: I think my friend is completely misguided in his comments. The question is being answered completely as provided for in the standing orders. We are now in a new parliament, the question has been put on the paper and an interim answer has been given. The honourable member is asking for something that is going to take a fairly significant amount of time to compile, and the standing orders provide that an interim answer be given and that the answer be tabled at that particular time. I think my friend's comments are completely uncalled for.

**Mr. Foulds:** On a point of order, Mr. Speaker: Can the government House leader then explain why it is that when we were making inquiries about this information some people within the bureaucracy told us that the information was

available last fall, that they almost had it together and it was stuck at a higher level of government, maybe in cabinet?

**Hon. Mr. Wells:** Mr. Speaker, again I just reiterate my answer. This is a new parliament, the question has been put on the Notice Paper and it has been answered in a manner consistent with the standing orders. My friends are perfectly free to argue that we could or should provide the information sooner. All I am saying is that we are within the standing orders and the rules and procedures of this House in how we are handling this.

**Mr. Speaker:** Obviously the matter is in hand, and we will be looking after it.

## STATEMENTS BY THE MINISTRY

### YOUTH COUNSELLING SERVICES

**Hon. Mrs. Birch:** Mr. Speaker, in January this government announced a five-year blueprint for industrial development known as the Board of Industrial Leadership and Development. Today I wish to share more of the details of one component of that program, the establishment of community-based employment counselling services for youth. We have committed \$3 million a year for the next five years to assist young people to make an effective transition to the working world.

Most of our young people have the required abilities and skills to make this transition smoothly, but we are aware that some young people, especially some of those who have dropped out of school and some of those who have low educational achievement, encounter difficulties.

The target group is unemployed, no longer in school, interested in full-time employment and under 25 years of age. Most of these young people want to work but are unaware of effective job search procedures. They need basic assistance in learning about how to find and hold a job, and it is for this reason that we will be undertaking the \$15-million program through the Ontario Youth Secretariat to develop community-based employment counselling services.

Although the target group is not large in



numbers, we believe it deserves our special attention. The community-based services will respond to community opportunities. Counselling in small groups or on a one-to-one basis will allow counsellors to match young people with suitable jobs in the private sector or to direct the young people to appropriate educational and training opportunities and to follow-up assistance as needed. To accomplish this, these locally based services in noninstitutional settings will have links with other employment and counselling services for young people.

The staff of the youth secretariat has had full co-operation from our own ministries of Colleges and Universities, Labour and Intergovernmental Affairs as well as from the Canada Employment and Immigration Commission in designing the program.

The \$15 million is for the development of up to 50 youth employment counselling projects across the province. In fact, a number of similar projects are already under way, and they are making a tremendous difference to the lives of young men and women. The secret of their success is the grass-roots community base, and we are determined to protect and foster this characteristic in our projects.

The program, which will be administered by the Ontario Youth Secretariat, will offer matching funds of up to \$60,000 per centre per year. The grants will be made to nonprofit, incorporated bodies with representation from such bodies as business, education, labour and service clubs. Municipal approval is required for the establishment of a local program. We feel this local involvement will ensure the participation necessary for the success of the projects.

This new program is in addition to a number of programs already in place which help young people in the job market. These are our summer employment programs such as Experience, Junior Rangers and the Ontario youth employment program. Year round, the Ministry of Colleges and Universities administers the Ontario career action program, which provides on-the-job training for young people who have left school. Altogether, through the Ontario Manpower Commission, the government allocates more than \$75 million to provide employment, training, counselling and job placement for about 80,000 young people across Ontario.

Members of the Legislature will find further details of this counselling program I have announced today in the press release and booklet placed in their post office boxes this morning.

Mr. Speaker, before I sit down I wish to thank my parliamentary assistant, the member for Mississauga North (Mr. Jones), for his excellent leadership and support in the development of this new program.

10:10 a.m.

## METRO POLICE COMPLAINTS PROJECT

**Hon. Mr. McMurtry:** Mr. Speaker, later today I will be introducing a bill to be called the Metropolitan Police Force Complaints Project Act. This bill, essentially the same as the one that was introduced last spring, establishes a three-year pilot project for Metropolitan Toronto. It is designed to provide an independent review of the processing of complaints by the public regarding the conduct of police officers.

There will be a public complaints commissioner appointed by the government, and his office will be totally separate and distinct from the Metropolitan Toronto Police Force. The complaints commissioner will have broad general powers, the commissioner's main duties being to monitor the handling of a complaint at the initial stages by the Metro force and to conduct a full review if the citizen is dissatisfied with the initial handling. It should be emphasized that the initial complaint may be made directly to the office of the complaints commissioner.

The legislation does contain one important refinement from the bill discussed in the House last spring that should meet some of the concerns expressed in the Legislature on second reading. The commissioner will have the power to intervene at any time in certain exceptional circumstances. This can include, but will not necessarily be restricted to, undue delay or any other impropriety related to the initial investigation. We expect that cases justifying this type of early intervention will be relatively rare.

The public complaints commissioner will also have the power to intervene after the receipt of the initial report from the police, which must be prepared within 30 days from the time the complaint is received. This power was contained in the earlier bill.

After conducting a full review where the citizen is dissatisfied with the initial handling, the commissioner may order a hearing, which will take place in public before an independent police complaints board. If the commissioner deems a hearing to be necessary, that hearing can take place before a single, legally trained member of this board or before a three-person panel.



The board will be made up of 15 citizens appointed by the cabinet; five will be legally trained and chosen by the government, five will be on the joint recommendation of the Metropolitan Toronto Police Association and the Metropolitan Toronto Police Commission, and five will be chosen on the recommendation of Metropolitan Toronto council. The new board will have disciplinary power and may impose a penalty within the range of penalties currently prescribed in the Police Act.

It is important to remember that 90 per cent of all complaints received by the Metropolitan Toronto Police Force are resolved informally and in a very expeditious manner. I have said before that we as a government are not prepared to construct barriers or unnecessary impediments that would interfere with that very important process.

This system emphasizes co-operation and conciliation, with confrontation as a relatively last resort. Our extensive studies indicate that any other concept simply will not work. The system must be equitable not only to the public but also to the police officers who must live with it on a day-to-day basis.

The legislation further recognizes the fundamental premise that the police force is committed, of course, to the highest standards of public service, which of necessity includes the disciplining of police officers who fall short of this standard. It would be very detrimental to the public interest to take away from our police this fundamental responsibility.

In conclusion, we believe this legislation is important, equitable and in the best interests of all citizens of the Metropolitan Toronto community, and we hope it will receive the support of all members of the Legislature.

## ORAL QUESTIONS

### TOWNSEND DEVELOPMENT

**Mr. Nixon:** Mr. Speaker, I wish to put a question to the Chairman of the Management Board of Cabinet in his capacity as the principal public watchdog on the Treasury and the public purse.

How can he continue to allow funds to be allocated for the development of the new community of Townsend when the record of moneys spent there has been so seriously unproductive? I refer specifically to the \$41.6 million for land acquisition, the \$2.3 million for some servicing and the development of a shopping centre, \$17 million for the development of other

resources in the new community, including advertising, when after a full year of the best attempts of the Conservatives' advertising strengths, undoubtedly normally very effective, there are only 12 houses occupied at present?

**Hon. Mr. McCague:** Mr. Speaker, that question more appropriately should be directed to the Minister of Housing (Mr. Bennett), who has responsibilities in that area; I do not believe that is a line item in that ministry's budget.

**Mr. Nixon:** I sympathize with the Chairman of the Management Board under these circumstances but, in the absence of so many of his colleagues, I felt it would be reasonable to put it to the man whose board has to approve the allocation of the funds in support of these policies.

Is he not aware of the extensive advertising campaign, costing \$250,000, involving all of the daily newspapers, with the jingles probably written by the "Let's Keep the Promise" jingle man, the most expensive and undoubtedly the most effective on all of the radio and television stations?

This is simply an extract of the publications that his advertising specialists have put forward, and there are only 12 houses occupied, and I understand two of those have for-sale signs in front of them.

In these days, when the need of affordable housing is a serious matter in many parts of the province, but not in Townsend, how can he justify the continuing expenditure of millions of dollars on this scheme?

**Hon. Mr. McCague:** I think the honourable member knows full well that this is all within the Ontario Land Corporation.

**Mr. J. A. Reed:** Just say you don't know.

**Hon. Mr. McCague:** I do know. It is within the Ontario Land Corporation, and it is not an area to which we have allocated funds specifically from the Ministry of Housing.

**Mr. Foulds:** Supplementary, Mr. Speaker: Can the Chairman of Management Board, as the chief watchdog of the public purse before the money gets spent, tell us whether his board has any control over additional funds that may be spent on this in the current fiscal year? In the budgetary process that has just been completed, did he chop it down?

**Hon. Mr. McCague:** Mr. Speaker, there were cuts in the Minister of Housing's budget as it applies to various programs. I think members will see those when the estimates for the Ministry of Housing are tabled a week Tuesday.



**Mr. Nixon:** That would be useful. Can the minister, in his implication, assure us that the moneys are going to be reallocated or withdrawn entirely from the Ministry of Housing to a program that is going to be obviously more necessary and needed in the eyes of the consuming public? Can he predict that there will be an adjustment in the spending allocations in the coming fiscal year pertaining to this program?

**Hon. Mr. McCague:** I cannot make that prediction.

#### DARLINGTON NUCLEAR POWER STATION

**Mr. Nixon:** Mr. Speaker, I wish to direct a question to the Provincial Secretary for Resources Development. He may find himself in a somewhat similar situation to that of the Chairman of Management Board but, since this deals with policy and not with the on-line decisions of Ontario Hydro, I feel it is appropriate to put to him.

Can the minister explain to the House what sort of policy development discussions took place that led the government to announce the speedup of the Darlington atomic energy plant, when about a year ago it was announced that it was going to be slowed down? The rate of growth of Ontario Hydro at that time was four per cent, and now that it is 3.1 per cent the government is announcing a speedup.

**Hon. Mr. Ramsay:** Mr. Speaker, I am disappointed that the House leader for the opposition did not ask that question earlier in the week when the Minister of Energy (Mr. Welch) was here. He has been here every day, as has the Premier. I must take that question under advisement. I will do so, and I will have an answer for the member next week.

**10:20 a.m.**

**Mr. Nixon:** Since the matter actually deals exclusively with policy, when the minister is examining a possible answer will he look at the statements of Larry Higgins, Ontario Hydro's chief forecaster, as quoted in the May 1981 issue of Canadian Renewable Energy News?

He says the position taken by the Davis government "sort of puzzles me. If there isn't a market for it, then I wouldn't be enthusiastic about the expansion. The mandate is to make the people of Ontario as well-off as possible. Just simply building nuclear plants will create a few jobs but, if the demand isn't there and there isn't a reasonable certainty that it will be there, until that happens it probably shouldn't be built."

The minister must be aware that Mr. Higgins is a highly respected senior projection officer of Ontario Hydro. The minister's colleague knows Mr. Higgins personally. For years, he was right on the button as to the expansion of the requirements of Ontario Hydro. Now that those expansions have fallen almost a full percentage point below what they were when the huge nuclear expansion was slowed down, what possibly can be the policy justification for speeding it up?

**Hon. Mr. Ramsay:** I will be happy to look into that matter as well.

**Mr. MacDonald:** Supplementary, Mr. Speaker: Will the minister, when he looks into it, take particular note of the fact that the 3.1 per cent growth is Hydro's projection on the basis of 1980 calculations, and for this year the growth in the first quarter was zero and in the second quarter it was marginally above zero? In other words, the point of Larry Higgins, why does one build it when one is not going to have a market? is underlined even more significantly by this year's figures.

Will the minister note that, rather than going on something that may be a bit outdated?

**Hon. Mr. Ramsay:** Mr. Speaker, those comments have been noted.

#### HOUSING CONTRACTS

**Mr. Cassidy:** Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations about a case similar to the Canada Homes case which we dealt with in this Legislature earlier this week.

The case concerns a Mr. A. H. Agha of Mississauga, who agreed to buy a new house in January for \$87,000 in the Burnhamthorpe Road-Dixon Road area of Mississauga. After failing to qualify for a \$60,000 mortgage, he was able to come up with \$15,000 more in down payment and to qualify for a \$45,000 mortgage but now has been refused by the builder, obviously because the builder expects to be able to sell the house at a greatly increased profit because of the increase in housing prices since January.

What is the minister going to do to help purchasers who simply want homes of their own when builders attempt to break agreements as happened in this particular case?

**Hon. Mr. Walker:** Mr. Speaker, if it is a matter of contract, then the normal proceedings through the court are available. In this particular case, I cannot tell from the details the

honourable member provided me but, if he will be good enough to supply the facts, I will have the matter addressed and will respond to him in due course.

**Mr. Cassidy:** I will be happy to provide the minister with the details, but I wonder if the minister can comment on what he, as the minister responsible for protecting consumers, intends to do when this situation of builders trying to break sales agreements and push prospective buyers into the courts becomes widespread in the housing market?

Mr. Agha has been informed by his solicitor, and I quote, "The costs of litigation are heavy and there is no guarantee of success." He has been told that should he try to put a caution on the property to stop the builder from selling it to somebody else it could drag out for two or three years; God knows what a house would cost after that time. He has been told the solicitor will not undertake commencement of an action in the courts, as the minister recommends, unless he is in receipt of a cheque for \$3,000 as a retainer to start it off. Is that all the protection a house buyer is going to have in the market?

Will the minister undertake to establish a housing ombudsman in the Ministry of Consumer and Commercial Relations who will protect purchasers in situations like this where builders are trying to exploit the market and push out people who should be able to have the homes they contracted for?

**Hon. Mr. Walker:** The honourable member's first question to me was, what am I prepared to do in respect of a builder who breaks a term of a contract? I tell him I am not prepared to replace the law. What I am prepared to do, of course, is advise people to seek out their lawyers and, where necessary, to prosecute a particular case. This sounds like a case where the civil remedies either for specific performance, or for damages in breach of that, would be appropriate. Then it is simply a matter of law.

I cannot think for a moment that the honourable member would expect me to stand in the place of the courts. That is not what this ministry has been set up to do if people are to seek the remedies that are traditionally available to them.

Whether a housing ombudsman is to be established or not is rather an interesting question. I have not given any thought to that. I doubt that we would have any intention in the next while of establishing a housing ombudsman based on one case that the honourable has raised now.

**Mr. Cassidy:** Early this week the minister was prepared to have his ministry intervene and talk to the developer in the Canada Homes case on behalf of people who found that their agreements to purchase were being upset by the builder in a situation very similar to this one.

On what basis does the minister pick and choose and discriminate? Is it only when a group of purchasers get together and start to apply political pressure and get some press that he is prepared to move in? Or is the minister prepared to recognize that we have a very unusual situation in the housing market right now, that builders are tempted to break agreements to make profits because houses they contracted to sell a few months ago can now be resold at greatly increased prices, and that the little guy who wants to have a house of his own and who signed an agreement a few months ago should be protected against that kind of behaviour? Will the minister protect the little guy or will he not?

**Hon. Mr. Walker:** Just a minute. The honourable member should not get carried away with his own confusion on the matter. He asked me whether in the case of a broken contract I was prepared to step in. The normal remedies of the court are available, and I do not intend to act as the intervener and destroy the normal court process.

On the Monday case we looked into the matter and tried to be of some help, and indeed we were of some help; the member opposite would seem to suggest that we were. I have now asked the member to send me over the details of this other case he has brought forward of one particular matter out in Mississauga. Once he has done that and once I have had a chance to look at it then I will give him a more definitive opinion. At the moment I have to tell the member that it is not the responsibility of this ministry to stand in the place of the courts when the courts can provide an effective remedy.

#### COKE OVEN EMISSIONS

**Mr. Cassidy:** Mr. Speaker, I have a new question for the Minister of Labour respecting the regulations that were filed on May 9, 1981 on coke oven emissions—and long overdue those regulations were.

Can the minister explain why it is that the Ministry of Labour, in putting those regulations together, proposed that the standard on which emissions would be measured would be a time-weighted average exposure calculated over 40 hours? Will the minister say what resources he is



prepared to provide to ensure that emissions will be measured over 40 hours, given the extremely high cost of doing those measurements over such a long period of time?

**Hon. Mr. Elgie:** Mr. Speaker, first of all, as I am sure the honourable member knows, there are a variety of ways that one can approach the time-weighted average question and a variety of options are available to our scientific staff. This was the option that they deemed the most appropriate and the one most universally in place. I am not aware—

Interjections.

**Hon. Mr. Elgie:** Just hang on. I am not aware of any difficulties that other governments are having with regard to inspection of the work place—

**Mr. Bradley:** No more Mr. Nice Guy.

**Hon. Mr. Elgie:** Oh, dear. The honourable member used to be so nice.

**An hon. member:** When was that?

**Hon. Mr. Elgie:** Well, his wife told me he was nice sometimes. Mind you, their water bed is not much used these days; they call it the dead sea now.

Mr. Speaker, I may say that we were not aware of any problems that were encountered in enforcing that approach to the standard in other jurisdictions. If the member has some information that it has proven to be a problem in other jurisdictions, I will be pleased to have it. If he wants a detailed account of the options that were available and why that one was selected, I will be pleased to provide it to him personally or to the House, as he wishes.

**Mr. Cassidy:** Supplementary: Mr. Speaker, we would appreciate it if that information were provided to all members through the House.

**10:30 a.m.**

Is the minister not aware that the US regulations, which have been set at the same level of hourly exposure, call for measurement on a time-weighted average basis only over eight hours, which is a good deal more feasible?

Is he also aware that by choosing a time-weighted average exposure over 40 hours that means a worker in one hour can be exposed to coke oven emissions that are 40 times the standards of 0.15 milligrams per cubic metre of air and the employer none the less cannot be liable to make any changes?

Is he aware that a worker could be exposed to 40 times the permitted exposure and the employer would not be subject to any penalties because of

the extreme length of time that has been chosen over which these measurements have been made?

**Hon. Mr. Elgie:** I am not aware of the accuracy or the inaccuracy of the suggestion made by the leader of the third party. I want to assure him that the considerations that went into selecting the approach to evaluating the time-weighted average were solely on practicality and protection of the worker. I will be glad to provide him with the information he has asked for.

**Mr. Mackenzie:** Supplementary, Mr. Speaker: Can the minister tell us two things? One, why was there no income protection in the regulations in the event that a worker is forced to move as a result of exposure to the emissions from his job?

Two, can he tell us whether we can expect that these regulations are going to be printed and law at the end of the 60-day period? I ask that specifically given this government's record on the other toxic substances where we have now been waiting 10 months since the gazetting of the first seven toxic substances that we dealt with some time ago.

**Hon. Mr. Elgie:** Mr. Speaker, as the honourable member well knows, at the present time where workers are in an area of exposure and it is deemed that they should be taken out of exposure and put into areas of less exposure, or where they have to be withdrawn from the work force, then workmen's compensation payments commence.

If the member is suggesting there should be something in that regulation with regard to the mandatory withdrawal of workers, I think that is a matter I am prepared to look at. It is something I raised the other day for discussion. I am looking at that aspect to the problem.

With regard to the process, I am sure the member is well aware that the initial regulation, which as he knows was the prototype or lead regulation, did follow a prolonged course. But now that the prototype is established, we will be able to deal with the regulations in a more rapid fashion.

That still does not overcome the need for the additional step that we have added, which is an open, public, ministerial defence of the process and of the regulation with management, labour and interested parties having the right to comment on it before a final regulation is presented.

I know that is a step that some members of the trade union movement have said is a trouble-

some one to them, but I cannot see anything wrong with that final step where ministry scientists are required to defend the positions taken with regard to regulations. I think it is an important additional process.

#### OMBUDSMAN'S RECOMMENDATIONS

**Mr. Eakins:** Mr. Speaker, my question is to the Minister of Labour. It concerns the decision of the Conservative members in the House last night not to support a recommendation of the Ombudsman.

Why does his government feel compelled to seek other legal opinion when the purpose of establishing the Office of the Ombudsman was to guarantee an impartial and independent decision? Is he not, in effect, taking the first step toward destroying the independence and effectiveness of the Ombudsman of Ontario?

**Hon. Mr. Elgie:** Mr. Speaker, I do not accept that at all; I said so clearly last night. Indeed, the history of the Ombudsman and the select committee on the Ombudsman shows just the reverse. There is increasing evidence annually of increased sensitivity to the recommendations of the Ombudsman and to the recommendations of the select committee.

What I did say last night very clearly was that, regardless of what we may think of the act, the interpretation of that legislation, in the view of prominent legal authorities, is that the Workmen's Compensation Board is now properly interpreting section 42(1). If the member is suggesting that the Ombudsman's recommendation, or a select committee endorsement of that recommendation, should take paramountcy over the legal interpretation of a section, then I do not think he is right. I say that with a degree of regret.

Is the member saying that simply because the Ombudsman or the select committee say something they are necessarily right? Let me tell the member that there are honest disagreements over many matters discussed between the Workmen's Compensation Board and the Ombudsman and the WCB and the select committee, and very frequently they reach a resolution. Sometimes they do not, and then those matters come to this House for final discussion and determination. It is one of those issues where the government, having sought outside and inside legal opinions, has come to the conclusion that the Ombudsman and the select committee were wrong.

**Mr. Eakins:** May I suggest to the minister that

the Honourable Donald Morand represents to me an outstanding legal opinion in Ontario and that is why he was appointed. Why seek these opinions when the Conservative members of this committee were in unanimous support of the Ombudsman's recommendation? I would also like to ask the minister if he shopped around for legal opinions other than the two he accepted?

**Hon. Mr. Elgie:** In response to the first part of the question, I think I have already covered that very clearly. In response to the second part, the answer is no.

**Mr. Foulds:** Supplementary, Mr. Speaker: Would the minister not agree that the legal opinion of a former Supreme Court judge, who happens to be the Ombudsman, is every bit as good as the legal opinion he obtained? Is it true that through the advice of the Attorney General (Mr. McMurtry), the minister deliberately sought an opinion from J. J. Robinette, who was arguing before the Supreme Court of Canada that any resolution passed by a parliament had no legal effect, and that he deliberately sought an opinion that would subvert the opinion by Mr. Morand and by the select committee?

**Hon. Mr. Elgie:** Mr. Speaker, no, it was not done on the advice of the Attorney General and, no, he was not selected because of that. To suggest that one person's opinion is better than another's is a unique concept, because the member knows—

**Mr. Foulds:** That is what you are suggesting.

**Hon. Mr. Elgie:** Just hang on and relax. We have a long day ahead of us.

We have before us today the odd constitutional problem where the supreme court of one province disagrees with the supreme court of another and the Supreme Court of Canada may reach a different decision. What the member is saying is that there may be many views on one issue, but we are content that the advice we have from two sources is accurate and that the board was complying, as it has to, with the law as recorded.

Had the Legislature decided to make any other interpretation it would have said so, as it did in British Columbia, and specifically designated the meaning.

#### EMISSION OF TOXIC SUBSTANCES

**Mr. Mackenzie:** Mr. Speaker, I have a question for the Minister of Labour. Given that in August 1980 the minister gazetted standards for mercury, asbestos, lead, isocyanates, noise,



silica—I believe there was one other substance—and these were supposedly then to go through the 60-day period, and given that it is now well into May, 10 months later, and the 60 days have meant literally nothing, can he tell us when we will have the regulations in force for those substances?

Can he also assure us that we do not have a little game of blackmail going and that if someone objects to the hookers that are obviously in the coke oven emission standard regulations we will not see 10 or 12 months go by before we see those listed and printed as well?

**Hon. Mr. Elgie:** Mr. Speaker, once again, just to reiterate, I frankly admit to the member that the first prototype regulation was a learning experience and there were many problems to be adjusted to and many alterations to be considered. The additional step that was added, that open defence by scientific staff of the ministry to the public and to the interested parties, we deemed to be an important step.

I appreciate it delays matters and I am sure the member knows full well that the final step is being carried out with regard to mercury on May 28, with vinyl chloride on June 9, with noise on June 23, with isocyanates on July 7, with silica on July 30 and with asbestos on September 22.

Following those hearings and following any presentations that may be made by parties, as there have been by trade unions and by employers following the lead regulation, the regulation will go to the Advisory Council on Occupational Health and Occupational Safety for final consideration of the appropriateness of the process, both with regard to the consideration process and the process whereby the standard was reached.

I cannot think of anything that can be criticized with regard to the openness of this process or the meaningfulness of the process, and it is under way.

**Mr. Mackenzie:** The minister is making a mockery of the safety and health legislation.

**Hon. Mr. Elgie:** I just do not accept that and I would suggest that responsible people in society do not accept that.

**Ms. Copps:** Supplementary, Mr. Speaker: How can the Minister of Labour stand here and tell us that workers who continue to be exposed will be protected as they are presently, I believe he said, under the Workmen's Compensation Board, when the minister knows full well that just as his ministry and the WCB shopped

around for a legal opinion to protect their position on section 42 last night, in the same way they will shop around for exposure levels and medical opinions that will go against the workers of this province?

**10:40 a.m.**

**Hon. Mr. Elgie:** Mr. Speaker, I was asked in this House if there was shopping around done. I said I resented the question and it was not true. If the member is challenging my integrity, let her say so in this House right now.

Interjections.

**Mr. Speaker:** Order, please. Does the member have a supplementary question?

**Ms. Copps:** The Workmen's Compensation Board not only did not even bother to appear before the select committee with the second legal opinion that was garnered, but went straight to the Minister of Labour in the full knowledge that he would come to the committee. My question is, how can he expect the workers of Ontario to have faith in the Workmen's Compensation Board and in the proper regulation of coke oven emissions with that kind of record?

**Hon. Mr. Elgie:** I will take the stand any time that the legislation in this province and the approaches that are being carried out to enforce it are equal to any. I take no such comments lightly, but I have to tell the member she is off base. If she is implying that the Workmen's Compensation Board is an insensitive group, she is wrong. They may have legislation which is not appropriate to the times, and that is why this minister instigated a review of workmen's compensation legislation. She will know, if she listened to the speech from the throne, that the government has indicated its intentions with regard to that legislation.

We heard from the member for Erie (Mr. Haggerty) yesterday. He was on the wrong section, but it was interesting to hear him anyway.

#### TENANTS' DEPOSITS

**Mr. Epp:** Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. Ontario's tenants are limited by law to receiving only six per cent interest on their rental deposits applied against the last month of their tenancy, and this permits landlords to make an unearned profit by simply investing the money at current rates. Does the minister find this to be a fair way to treat tenants who are forced to hand over this money at six per cent so that their landlords can reinvest it?

**Hon. Mr. Walker:** No, it is certainly not fair. Part of the problem involves the reference to the Supreme Court of Canada, and that is part of that package. We cannot implement the nine per cent figure. Perhaps the member is not aware of this, but the committee recommended a couple of years ago that it go from six per cent to nine per cent, which was considered appropriate at that time. The nine per cent figure then became part of the legislation. But that part of the legislation has been part of the reference to the Supreme Court of Canada and we are not able to do anything until that is decided.

The hearing on the matter was last November. We anticipated a response from the Supreme Court of Canada prior to the constitutional debate, which occurred during the last three or four weeks. That has not happened, and we now must wait until probably well into the summer before the Supreme Court of Canada's decision is handed down. That will then perhaps permit us to proceed with the matter of the nine per cent at least. But the member is quite right in his observation that at six per cent it is certainly not consistent with what is happening today.

**Mr. Epp:** Supplementary: Is the minister aware that one of the landlords in Ontario is making more than \$500,000 in interest on this money? That is only one of the landlords; there may be a number of others who are making hundreds of thousands of dollars profit on the deposits. Will he consider taking the matter out of the legislation and putting it into regulations so that it can be adjusted from month to month, or over a longer period of time, so that the tenants can garner a greater amount of interest on their deposits?

**Hon. Mr. Walker:** I do not know if we can do that or not, but I will certainly take a look at the question. It seems a reasonable suggestion.

**Mr. Philip:** Would it not seem more reasonable to the minister to attach it to the fluctuations in the interest rates, namely, to something like the interest rate on Canada Savings Bonds, which is set on a yearly basis? This would eliminate the necessity of coming back to the Legislature on a periodic basis and adjusting the interest rate on that particular deposit which is paid by tenants. This has been suggested in a private member's bill which I have introduced twice in this Legislature.

**Hon. Mr. Walker:** That too seems like a good suggestion, and I would like to consider that at the same time I am considering the one from the member for Waterloo North.

## TORONTO EAST GENERAL HOSPITAL

**Ms. Bryden:** Mr. Speaker, I have a question for the Minister of Health. Is the minister aware that the Toronto East General Hospital's emergency department had to virtually close its doors this past week and send away all but life and death cases because of the severe bed shortage at the hospital due to the fact that 20 per cent of the beds are occupied by chronic care patients?

**Hon. Mr. Timbrell:** Mr. Speaker, the emergency department of the East General is not, nor has it been, closed. It continues to accept all persons who present themselves at the emergency department. In the last 18 months, that hospital has grown from 594 to 652 beds. I think those are the correct figures. Fifteen of those beds at the present time are not open due to the fact that the hospital has not been able to hire the appropriate nursing staff, but it is not in any way due to a lack of funds.

In addition, in recent months we enlarged two nursing homes in the east end, Craiglee and Kennedy Lodge, both of which made beds available to the Toronto East General. Those offers were immediately taken up, and between them they took 24 patients in order to relieve some of the pressure on that hospital.

Furthermore, planning is under way. First, 224 residential beds have been converted to chronic care at Providence Villa, which is very near the Toronto East General, and planning is under way for the construction work at Centenary Hospital to add over 200 beds, about two thirds of which are chronic and rehab. In addition, planning is under way for construction of a totally new hospital in the east end, to be known as the Scarborough Grace L'Amoreaux, which will be 300 beds. I anticipate a large number of those will be for chronic care.

With respect, while I appreciate that every hospital is facing the pressure of the numbers of people who are chronic or extended care patients, and we will never be able to totally wipe out those numbers, I think we have taken a number of very concrete steps in that hospital and in the east end in the last year to 18 months to relieve those pressures.

**Ms. Bryden:** Supplementary, Mr. Speaker: The minister must be misinformed because the administrator told me yesterday that they were having to send away all but life and death cases because there were simply no beds in the hospital in which to put any patients who were admitted through the emergency.



I would like to ask the minister when he is going to reply to my letter of March 12, in which I drew this serious situation in the hospital to his attention and asked him what he was doing to increase the supply of nurses, which he says is one of the causes for not being able to open some of the beds. What is he doing to provide alternative care for chronic patients in the east end? I understand that 24 beds have been provided, but the need is for at least 200. It is all in the planning stage. When is the minister going to solve that situation by providing beds that will not just be in the planning stage, but will actually get those people out of the hospital or provide them with home care?

**Hon. Mr. Timbrell:** Mr. Speaker, the beds of Providence Villa have been converted and are now part of a heavier level of care in the system.

**Ms. Bryden:** A drop in the bucket.

**Hon. Mr. Timbrell:** There are 224 beds, which happens to be more than the honourable member just suggested. In addition, I have not even talked about the initiatives in the other parts of the city to add chronic care beds, at the downtown Grace, at the Queen Elizabeth and at West Park. There are additional nursing home beds at the Etobicoke General and the North-western General, as a result of which about 100 of those additional beds will be for heavier care.

These are a number of initiatives. I do not know that we will ever totally satisfy the demand because of changing demographics and trying to keep up with them. I would submit that with new hospitals, significant additions to existing hospitals, growth in the numbers of nursing homes beds—and that is 300 for this year—I anticipate, depending on the availability of funds from the Treasury, being able to announce more in the coming year for Metro to expand the range of services. By 1982 we will expand the home care program to include chronic care.

10:50 a.m.

**Mr. Epp:** Supplementary, Mr. Speaker: Given the fact the minister has admitted there is a shortage of staff at the hospital, has the minister discussed this particular problem with the Minister of Education (Miss Stephenson) and the Minister of Labour (Mr. Elgie) to try to rectify it?

**Hon. Mr. Timbrell:** I am sorry I did not answer that part of the question from the member for Beaches-Woodbine (Ms. Bryden). The honourable member will find that over the years there has been a series of peaks and valleys in the whole question of the availability

of nursing staff. It is not that long ago, three or four years ago, we were hearing about large numbers of graduates of our nursing programs having to leave the province because they could not find work, and that was a subject of complaint from the other side of the House.

Rather than trying to do it entirely internally, we went to the Registered Nurses' Association of Ontario and said, "We would like your help in analysing these peaks and valleys, these trends, and in assisting us in determining what we could do in the longer term to avoid"—I do not know if we will ever totally avoid them—"some of the severe shifts that have occurred in the system over the last 15 or 20 years."

I will be meeting with the RNAO on Tuesday or Thursday of next week—soon anyway—at which point I hope to get some indication of the progress it has made in developing that report and giving us that advice. The Minister of Colleges and Universities (Miss Stephenson) could tell the member we have adjusted enrolment in some community colleges. It has been a local decision depending upon consultation with the local hospital network. As far as an overall solution is concerned, I think it is best to work with the nurses to try for the longer term to avoid these dislocations, up or down, that have occurred over the last decade or two.

#### MENTAL HEALTH PATIENTS

**Mr. Ruprecht:** Mr. Speaker, I have a question for the Minister of Health. I have another confidential memo here. On May 7 the minister told us in this House, "Not to worry, boys, all is well with the mental health field." Then he went on to tell us, "The mental health programs will continue to expand in the future." Those were his words.

This memo, dated April 16, 1981, from Mr. J. G. Wilson, administrator of productivity improvement programs, Toronto, says: "As a consequence of corporate policy, the psychiatric hospital branch was asked to find opportunities to reduce operating costs by \$2.5 million for the fiscal year 1981-82."

I am asking the minister how he can justify saying, on the one hand, "Don't worry; we are expanding our program," and, on the other hand, suggesting to his ministry there shall be a cut of \$2.5 million.

**Hon. Mr. Timbrell:** Mr. Speaker, with respect, and I do not have the Hansard in front of me, if I remember correctly the question a week ago yesterday had to do with community mental health aftercare programs. I would point out to

the honourable member that in that particular area spending has grown by 100 per cent in the last two fiscal years. There is money included in this year's estimates, which he will see in a couple of weeks' time, for further growth in the community mental health program. There is growth, for that matter, in the institutional program which, I take it, he would have us maybe double so that we could lock everybody up, which seems to be his attitude.

**Mr. Ruprecht:** Mr. Speaker, on a point of privilege: The minister has already accused me three times in this House that my personal policy was going to be to lock up all psychiatric patients and throw the key away. That might be his particular thinking or his own policy, but that has never been the policy of the Liberal Party nor has it ever been the policy of this member for Parkdale.

Our policy is simply this. We are asking the minister to clean up his own act in the area of Parkdale where he has been negligent in his duties because there are people on the streets everywhere—he saw it on TV last night. It is his responsibility to clean up his act. To accuse this member of saying, "Throw away the key and forget about mental patients," is an absolutely nonsensical statement. I wish he would withdraw that because I have never said that anywhere. I am asking him to withdraw that at this point.

**Hon. Mr. Timbrell:** That is my impression from everything the honourable member has ever had to say on the subject. In fact, I am told he campaigned on getting them out of Parkdale. I think that certainly typifies the impression the member leaves with me. I am only passing on my impression.

Let me just carry on. Because we are concerned about the conditions in Parkdale and, for that matter, in the whole system, we commissioned the study on aftercare services to which the honourable member referred a week ago. We recognize and have recognized that more needs to be done in that area. I would remind the honourable member that that report points out on page 28 that, as a result of phase one of their work, the ministry has already agreed to fund Community Resource Consultants' proposal for co-ordination of discharge planning and aftercare services as an additional concrete step on the path we wish to follow.

Coming back to the question of economies, I do not think it is unreasonable for us to ask every branch in the ministry to find ways to economize in order that we can get more out of

every dollar we spend. If the member thinks that is unreasonable, he had better talk to the Leader of the Opposition (Mr. Smith), who a couple of years ago was demanding that my budget be slashed by \$50 million. Obviously, the members opposite have a difference of opinion.

**Mr. Ruprecht:** Supplementary: Yesterday the Metropolitan council social services committee had a very important meeting, and the minister did not even send anyone to represent his ministry. That is how concerned he is.

**Hon. Mr. Timbrell:** On a point of order, the deputy—

**An hon. member:** Sit down.

**Hon. Mr. Timbrell:** Please—I have the floor. I think the deputy minister sent a very good reply to the commissioner. He pointed out that we have established a good working relationship with the Metro social services staff and indicated that we are more than happy to maintain that and, through that process, to continue to address our mutual concerns. It is not a case that one side is saying there is no problem or that all is well. I have never said that. We understand that there are problems, and we even understand the member's point of view and want to address them.

**Mr. Ruprecht:** Supplementary: I understand there are formal discussions taking place right now to phase out the Archway Community Mental Health Centre in Parkdale, which the minister knows is directly responsible to some people in community health programs. Can the minister give his assurance that this crisis centre, which is so vital to that area, will remain open? What does he have in mind?

**Hon. Mr. Timbrell:** Is that the one the member objected to having moved last year? I believe my memory is correct in that respect. I am not aware of any plan on anyone's part to close Archway, but I do recall—correct me if I am wrong—that the member led a move locally not to have it moved at all before.

#### NATIVE PROGRAMS

**Mr. Stokes:** Mr. Speaker, I have a question for the Provincial Secretary for Resources Development. When is the government going to respond to the tripartite council of the Indian Commission of Ontario concerning hunting and fishing rights of Indian people? Specifically, is he aware of the charge made by Patrick Hartt, who is chairman of that commission, that they have written to the former Minister of Natural Resources on at least four occasions and have



failed to get a response? Why is the government and why is the provincial secretary specifically, as the minister responsible for native rights in Ontario, refusing to come to grips with this very urgent matter?

**Hon. Mr. Ramsay:** Mr. Speaker, I do not think we are refusing to come to grips with it. The matter is being looked into, and I hope there will be some action taken within a short period of time.

**Mr. Stokes:** Supplementary: The minister will recall yesterday the particular incident raised by the member for Nickel Belt (Mr. Laughren). Another one came to my attention this morning, where there was a raid on the Whitefish Bay Reserve on May 7 in the Treaty 3 area. When is the minister going to meet with them? Mr. Justice Hartt said that on at least four occasions they wrote to the former Minister of Natural Resources and have not even had a reply.

**11 a.m.**

If the minister says he is dealing with it, what specific action can he point to indicating he is prepared to deal with this? He and, before him, the former member for Cochrane North have been specifically responsible for native programs in the province. Why is he allowing the Ministry of Natural Resources to inflict its own very effective, unjustified, but very subtle form of violence against our first citizens?

**Hon. Mr. Ramsay:** Mr. Speaker, it is my understanding that a response has gone out to Mr. Hartt. He may not have it at this time. I am also consulting and have been consulting with the Minister of Natural Resources (Mr. Pope) in his new responsibilities in respect to this problem. As I said earlier, we hope to have it resolved in the near future.

**Mr. Wildman:** Supplementary, Mr. Speaker: Is the minister aware that Mr. Justice Hartt has ordered the tripartite working group suspended because, in his words, the Ontario government has been refusing to respond and has stalled for 10 months? Is he prepared to recommend to his cabinet colleagues a moratorium on the charging of Indian people and a review of the outstanding charges until this matter is dealt with by the commission?

**Hon. Mr. Ramsay:** I am aware of the action of Mr. Justice Hartt. I am not prepared to make any recommendations to the cabinet at this time, but I could well be in a position to make recommendations within the next couple of weeks.

## DEATH OF KIM ANNE POPEN

**Mr. Conway:** Mr. Speaker, my question is to the Attorney General and it concerns Judge Ward Allen's inquiry into the circumstances surrounding the death of Kim Anne Popen in 1976. Judge Allen has now spent almost two full years in preparing his report and his office has just recently indicated that this report is not near completion.

We should keep in mind the gravity and the urgency of the matter, and that Mr. Peter Merchant, a Sarnia lawyer who represented the child's mother at the inquiry, fears "there will be other Popens here soon because all the things that happened before the inquiry are happening now." We should also keep in mind that Judge Allen said, "If I delay too long, the impact of the recommendations may be lost."

Does not the Attorney General feel that the time has come to bring to bear all reasonable and judicious measures upon the commissioner to produce that report so that all concerned might have the benefit of his presumably very important recommendations?

**Hon. Mr. McMurtry:** The honourable member is aware of the very important principle of the independence of the judiciary. I am having a little difficulty understanding what sort of efforts he might expect us to make, given that very important principle. But I can indicate to him that the Deputy Attorney General met the chief judge of the county court a few weeks ago to discuss this matter in some detail.

We are concerned, as the member is, about the delay with respect to the writing of the report. I have been advised that Judge Allen is working full-time on the report. My recollection is that the chief judge has relieved him from all other judicial responsibilities so that he might concentrate full-time on the completion of this report. I believe it is estimated that the report will be completed by early summer.

**Mr. Conway:** Supplementary, Mr. Speaker: To be sure, like all other honourable members I can appreciate the Attorney General's point about the independence of the judiciary, but I understand in this case that Judge Allen is a commissioner, like a lot of other commissioners. Keeping in mind the circumstances that led to this inquiry, can the Attorney General share with me the sense of indignation and outrage that the report writing—not the inquiry, but just the writing of this report—has taken a longer period of time than Kim Anne Popen lived?

Does not the Attorney General of Ontario

think that to be an absolutely outrageous commentary on the degree of urgency with which this government views this very critical matter? I want to know, and can the Attorney General at least give me a commitment that he will report back to this House at his earliest opportunity, exactly the circumstances and the timing of this very important report?

**Hon. Mr. McMurtry:** Since the member has been moved into the leadership stakes, I suppose, by being moved to the front row, he really does not have to yell as hard as that to be heard.

**Mr. Speaker:** Would the Attorney General answer the question?

**Hon. Mr. McMurtry:** We can hear him without this sort of hysterical dimension to the question. This particular inquiry was a judicial inquiry and the same circumstances and principles apply with respect to this as to any other judicial determination of the matter. I have indicated the steps that have been taken by the Deputy Attorney General in order to assist in the completion of this report, in so far as arranging with the chief judge to have Judge Allen relieved from other judicial responsibilities until this report is completed. I think that is all that can be reasonably expected of the Ministry of the Attorney General in these circumstances.

**Mr. Foulds:** Supplementary, Mr. Speaker: Can the minister share with the House just exactly what the learned judge's problem is in writing the report? Why is it going to take him several more months simply to write the report now that he is on it full time?

**Hon. Mr. McMurtry:** Mr. Speaker, that is not something I am in a position to speculate about. I was not present during this relatively lengthy judicial inquiry and I am certainly not going to engage in that type of speculation.

#### PROTECTION OF ARTEFACTS

**Mr. Speaker:** The Minister of Culture and Recreation has the answer to a question asked previously.

**Hon. Mr. Baetz:** Mr. Speaker, in response to the member for Port Arthur's question regarding the value of Wendell K. Beckwith's collection of artefacts and papers, I would inform the honourable members that both an inventory and an appraisal of these items have been carried out by my ministry. Last fall, Dr. Rogers, chairman of the ethnology department of the Royal Ontario Museum, visited Best Island upon my request to examine the various Indian

artefacts collected and made by Mr. Beckwith. In November, Dr. Rogers submitted to me an inventory of these items and most recently I received Dr. Rogers' assessment. In his estimation, the Indian material would be primarily of a local or regional interest.

As regards the Beckwith papers, Archivist Ken MacPherson of the Ontario archives has indicated to me that further assessment by a qualified expert in the field of astronomy would best determine the value of these documents from a scientific point of view. Since the matter of the real property and improvements thereon rests with the Ministry of Natural Resources, I cannot speak to the value of either the property, which is crown land, or the buildings.

It may interest members to know that Wendell Beckwith was a noted US inventor with a strong interest in scientific investigation. He came to Best Island on Whitewater Lake in the early 1960s. Over the years, until his death in August 1980, Mr. Beckwith devoted his entire time to establishing his camp, communicating with native peoples in the area, and working on esoteric scientific theories. During the summer months, Mr. Beckwith received a number of visitors to the isolated regions of the island.

**11:10 a.m.**

In short, Mr. Beckwith became, in north-western Ontario, something of a legend in his lifetime. My ministry acknowledges the significant legacy left by Mr. Beckwith and, as I have indicated to the member, we are taking every necessary step to ensure that all artefacts and papers, for which the crown may claim legal ownership, will remain in this country.

As the member indicated, Mr. Harry Worth, the California businessman, has challenged the deed of gift of Beckwith's collection to the crown. Since the matter is currently before the courts, I am not at liberty to make any further comments, not wishing to prejudice these legal deliberations.

I would, however, assure the member that this matter is receiving our active attention, and I am confident that any legal decision rendered will be a fair and equitable one. Needless to say, when the courts have given their final decision in this matter, I will be pleased to report further to this House.

**Mr. Foulds:** On a point of order, Mr. Speaker: Should that not be read as a statement, and would you not add that time to the question period, because the statement was, in fact, over three minutes?



**Hon Mr. Grossman:** You asked a question; you got an answer. The minister was just trying to be helpful.

**Mr. Foulds:** You could be helpful in statements too.

I have a supplementary. Could the minister tell us the results of the meetings this week between his ministry officials and officials of the Ministry of Natural Resources and Mr. Worth? Can he clarify whether or not the matter is actually before the courts or is Mr. Worth just threatening at this time to take it to court? When I talked to Mr. Worth he was at that time threatening to take it to court, rather than having it in court.

**Hon. Mr. Baetz:** My impression is that Mr. Worth is planning to take it to the courts, and for that reason, as I have indicated in my answer here, I am not really at liberty to speak any further about it.

#### COVERAGE FOR PROSTHETICS

**Mr. Philip:** Mr. Speaker, I have a question of the Minister of Health. Does the minister recall that in January of this year he wrote to me stating that his staff was considering a proposal contained in one of my private members' bills, that OHIP coverage be extended to brassieres and breast prostheses for those women who have undergone a mastectomy? Inasmuch as four other provinces already provide some type of coverage in this regard, can the minister inform us when we can get that kind of coverage in Ontario?

**Hon. Mr. Timbrell:** Mr. Speaker, that is part of our review of the whole question of orthotics and prosthetics, which is not yet completed, so I cannot give a definite answer on that aspect of it at this time. I hope to be able to do so in the not too distant future, one way or the other.

**Mr. Philip:** Does the minister not agree that it is traumatic enough for a woman to have a mastectomy without also facing the added pressure that she cannot afford the prostheses and brassieres, which can run as high as \$200? Why have we had to wait so long for this one item, which would be such a small portion of his total budget? When, specifically, can we expect that some answer will be given, inasmuch as not only myself and the people affected, but also the Canadian Cancer Society, Ontario division, have been putting the pressure on the minister for an answer to this problem?

**Hon. Mr. Timbrell:** As the honourable member knows—or perhaps would appreciate if he does not know—there are a great many propos-

als on hand at any time to expand OHIP benefits. It is a question of working out a rational approach to not just the one item, but in this case we are trying to work out a rational approach to the whole field of orthotics and prosthetics.

That is necessary whether we would adopt plans like say, Alberta, or something that would be just for children, as some other provinces have started, or however we might do it, in order that we not do it in a piecemeal fashion.

I am aware of the member's private bills, which have been presented here from time to time. I am aware of the position of the cancer society, which already assists those individuals of whom it becomes aware, who are not in a position to afford these prostheses, and certainly all of that is being taken account of.

Certainly, at no point do I envisage that we will ever be able to meet all the demands that are on my desk at any time for additional benefits to the health plan. They are virtually unlimited.

#### REPORT

##### STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bills with certain amendments:

Bill Pr1, An Act to revive Mildove Mining Company Limited;

Bill Pr5, An Act to revive Stacey's Custom Upholstery Limited.

Your committee begs to report the following bill without amendment:

Bill Pr3, An Act to revive Sioux Petroleums, Limited.

Motion agreed to.

#### MOTION

##### ESTIMATES

Hon. Mr. Wells moved that estimates be referred to committees as indicated in the estimates statement made yesterday pursuant to standing order 45(b).

Motion agreed to.

#### INTRODUCTION OF BILLS

##### METROPOLITAN POLICE FORCE COMPLAINTS PROJECT ACT

Hon. Mr. McMurtry moved first reading of Bill 68, An Act for the establishment and

conduct of a project in the Municipality of Metropolitan Toronto to improve methods of processing complaints by members of the public against police officers on the Metropolitan Toronto Police Force.

Motion agreed to.

## ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Hon. Mr. Wells moved first reading of Bill 69, An Act to amend the Ontario Unconditional Grants Act, 1975.

Motion agreed to.

**Hon. Mr. Wells:** Mr. Speaker, this bill proposes to implement the revised municipal transfer payments and procedures for apportioning upper tier costs among lower tier municipalities.

Included in this bill is the provision for the \$2 per capita increase in the police per capita grant rates which is designed to offset significant municipal cost increases for this service. There are also in the bill a number of other changes necessary for the 1981 municipal grants and apportionment procedures. In general, the bill seeks to ensure that those municipalities experiencing the greatest financial pressures will receive increased funding, and those municipalities which would have been adversely affected by our revised program will be protected.

11:20 a.m.

## ORDERS OF THE DAY

### LIQUOR LICENCE AMENDMENT ACT

Hon. Mr. Walker moved second reading of Bill 21, An Act to amend the Liquor Licence Act, 1975.

**Mr. Bradley:** Mr. Speaker, Bill 21 is simply an extension of a policy that has been enacted by the Ontario Legislature, an extension to the Niagara Parks Commission, the St. Lawrence Parks Commission and the St. Clair Parkway Commission of a policy that we in the official opposition have supported in the past and I think we will continue to support.

It arises out of the experience that the provincial parks have had with the holiday weekend and we are specifically talking about the holiday weekends early in the year. It is always anticipated when the taxpayers put out a good deal of money for our provincial parks that they are going to be used in an appropriate fashion.

However, the experience has been that there has been some rather riotous conditions that have arisen in the provincial parks in past years and this prompted the ministry to begin to restrict the availability and the permissibility of liquor within the provincial parks for that reason.

It became a situation where families, and I guess even nonfamilies, who were going to provincial parks for the purpose of enjoying those facilities that were there and enjoying the outdoors and so on were in effect scared away by the possibility of riotous conditions existing—drinking to great excess. They saw the kind of vandalism that took place in the parks on these weekends. We saw police costs increase rather dramatically as the Ontario Provincial Police were forced to come in rather large numbers in certain circumstances to make mass arrests and to clear the rowdy individuals, who were prepared to destroy the fun and the enjoyment of others, out of the parks.

As a result, the ministry saw fit, with the approval of the opposition, to discontinue the allowance of liquor in the provincial parks at least for a certain period of time early in the year.

We in the official opposition feel it is a logical extension of this policy to have the same rules apply to the Niagara Parks Commission, the St. Lawrence Parks Commission and the St. Clair Parkway Commission in order that the citizens of this province who want to enjoy those facilities will also have the protection of the law in ensuring that liquor and other spirits—beer and so on—are prohibited from the parks for a specific period of time.

We are very pleased to support that bill and our Liberal caucus will be voting in favour of it. We also feel, because of the circumstances of the holiday weekend coming up somewhat early this year, it is urgent and necessary that this bill pass three readings this morning. We will be supporting that provision.

**Mr. Swart:** Mr. Speaker, on behalf of the New Democratic Party I want to say that we support this bill in principle. The policy which was enacted last year, whereby alcoholic beverages were prohibited in a number of provincial parks, by and large was successful and met with public approval.

I am a camper myself and spend quite a bit of time in conservation parks and provincial parks and am therefore aware of some of the problems that have existed and continue to exist and I realize there is no perfect solution to these. On



the one hand, we are saying to people who use alcoholic beverages in moderation and create no nuisance that they can't have them, but on the other hand, we are not permitting people who don't use them in that fashion to be a real nuisance to others in the park.

This bill provides an extension to that legislation and to the regulations which were passed in March of last year, if I remember correctly, for the St. Lawrence Seaway Authority, the Niagara Parks Commission and conservation authorities. I was hoping the minister would be making a statement about the application of this to the conservation authorities, because they are in a somewhat different situation in that, to a degree, they are autonomous bodies.

Perhaps the minister will still do that. I invite him to do that, because I think we in this party want to know the exact application of that. I believe there was a request from the conservation authorities to have this enabling legislation. I am aware some conservation authorities would like this prohibition while others do not want it because they have had no problems and do not need it. Therefore, I would hope for a detailed statement from the minister on how this will be applied to conservation authorities.

I had the opportunity to look at the present regulation, 134-81, which applies to the existing provincial parks. I believe it is for this year and it is very specific. It says there will be this period, I believe from May 7 to May 24, when alcoholic beverages will not be permitted in certain parks in this province. I would expect, because the minister wants this to apply tomorrow, that he perhaps has the regulation already prepared. I understand he wants to use it this weekend. Perhaps he could read it into the record today.

I want to know whether the autonomy is going to remain with the conservation authorities to determine whether they want it to apply to their particular parks or whether they do not. In this party, we are determined that decision will rest with those conservation authorities.

Subject to the statements which may be made, or the regulation which may be read by the minister, we will determine whether it should go to a committee of the whole House. I am not asking particularly that this be done. I realize it is going to delay it for this weekend. Hopefully it will be the case that the minister can give a satisfactory, detailed explanation or else read the regulation into the record so we can approve this bill speedily and have it apply to this coming weekend. I await the minister's comments on this.

**Hon. Mr. Walker:** I welcome the comments from the two opposition parties in support of the proposed amendment. It tends to be one of those which in many respects is not perfect, but it seems to work. It started a few years ago on a trial basis. It was applied for only a few weeks every year, and the results were so impressive that today 20 parks now have it in place. They opt in and they opt out. In this case, I would extend it to the three main parkway commissions in the proposed amendment and, as well, it extends to provide enabling legislation for any of the conservation authorities.

The member for Welland-Thorold has raised the question of what would normally transpire. Of course, it is local option and it is strictly up to the local conservation authorities to make use of this enabling legislation should they choose to.

Normally, under the Conservation Authorities Act, the regulations are passed and regulations come forward drafted almost entirely, if not totally, by the individual conservation authority and over the signature of the chairman of the authority. It is basically that regulation, in its identical form, that is put through as an order in council. It is the option of the individual conservation authority to opt in or remain out, should it choose to.

**11:30 a.m.**

We now have this legislation in place, so various conservation authorities will be taking advantage of it. In this particular case the only one they are particularly anxious to move on in the parkway commission is the Charles Daley Park just outside St. Catharines, and that park will be able to take advantage of the order in council that we would propose to have passed today by cabinet.

As it turns out, the traditional weekend that one would choose is the May 24 weekend, which happens to come about two weeks early this year, so there has been some speedy movement in getting this passed. Should this House approve what we have presented to you, Mr. Speaker, that the amendment of the Liquor Licence Act 1975 could go forward under those circumstances, if it is passed in three readings today, which I would hope—and I will be moving third reading if it clears second shortly—in that case we will have an order in council which designates the park.

I will read that: "Possession of liquor in Charles Daley Park, a regulation made under the Liquor Licence Act, 1975." This is the regulation we would have passed under these

circumstances: "...that notwithstanding subsection 46(2a) of the act, no person shall, from and including May 15, 1981, to and including June 26, 1981, have or keep in his possession or custody liquor in Charles Daley Park, managed and controlled by the Niagara Parks Commission."

As I say, later on during the next few months, should any particular conservation authority or other commission opt in, they merely pass on the regulations to us, in which case we would pass those through the normal channels and make them an order in council.

Motion agreed to.

Ordered for committee of the whole House.  
House in committee of the whole.

#### LIQUOR LICENCE AMENDMENT ACT

Consideration of Bill 21, An Act to amend the Liquor Licence Act, 1975.

On section 1:

**Mr. Swart:** Mr. Chairman, neither I nor the party want to be difficult on this matter, but I am not satisfied with the minister's answer on exactly what will take place with regard to the conservation authority.

To me the act is rather clear. What we are doing here is changing clause (x) of section 40, which begins by saying, "The Lieutenant Governor in Council may make regulations"; (x) will then mean "...prohibiting or regulating and controlling the possession of liquor in provincial parks, in a park managed or controlled by the Niagara Parks Commission, the St. Lawrence Parks Commission, the St. Clair Parkway Commission or on lands owned or controlled by a conservation authority established or continued under the Conservation Authorities Act." As I interpret it, that gives the minister blanket approval to prohibit or control in those areas.

The minister mentions that the conservation authorities will opt in or out by regulation, but it is absolutely clear that is a regulation which must be gazetted by him. Does he do that and does he give the commitment to do that only on a resolution or official request from the conservation authority?

Will that particular conservation authority request for a particular park in the authority that there be prohibition for a given period of time, and then you will automatically enact that regulation to give them authority to prohibit it? Is that, in fact, the way this is going to operate, or will the minister take initiative on his own?

You, of course, rightly take the initiative with

regard to the other provincial parks or even those quasi-provincial parks such as the Niagara Parks Commission, but I want to know the exact procedure the conservation authorities will go through.

Second, if I am right in assuming that procedure will be followed, have you some request at the present time and are you prepared to state here what that regulation, which you will obviously gazette today or pass today, will contain? What will conservation authorities be granted the right to prohibit? This may be all very simple, but I want to have that clearly answered in this House at this time.

**Hon. Mr. Walker:** Mr. Chairman, the undertaking I give is that in respect of this particular section and in respect of conservation authorities, so long as I am the minister I would not bring in any kind of blanket amendment that would relate to all conservation authorities, but rather would wait until I received each individual conservation authority's intention to opt in through a request to us to have an order in council passed which allows them to have application under this section of the act.

**Mr. Swart:** Mr. Chairman, could I have the second part of the question answered? Do you have some that are going to be gazetted immediately, the regulation enacted?

**Hon. Mr. Walker:** No, Mr. Chairman. As I understand it, we have none from any conservation authority at the moment, although we have some indications that some wish to do it. I believe you made reference earlier to the blanket request made by the conservation authorities of Ontario, at least their association, but we have no specific one which has said, "It is our desire to have an order in council passed in our particular authority."

**Mr. Nixon:** It is incredible really that the changes in our society have led the House to have to enact this kind of legislation. I know the minister is aware that in previous years there have been some pretty rambunctious weekends in a few of the provincial parks, and I understand that the intention is to include other parks that could come under the ordinary order in council bans or regulations of the ministry that have applied in provincial parks. It is regrettable certainly that because of these circumstances, ordinary people like myself, let's say, and the government House leader could not go into a park or one of these recreation areas with a picnic and have an adequate glass of white



wine to wash things down without transgressing what really is an unfortunate change in the statutes of the province.

One of the aspects which seems to me particularly difficult to understand is that the same minister permits the kind of beer advertising which is directed almost exclusively at the very people that this legislation is aimed at; the young people drink a lot of beer, maybe more than they should, and make a fuss in the parks. The minister knows that the beer ads are probably the very best ones on TV, that is, best designed with the most expensive background, similar only in quality and cost to those used by the Progressive Conservative Party for electoral purposes, but if you look at those ads, they emphasize the use of parks. I feel almost compelled to get out my canoe and my pup tent and go away with the boys and several cases of cold Buckeye or whatever it is they are pushing that particular time.

Where the devil are they going to drink the beer you are selling them with your ads? You collect the revenue in tax—\$500 million worth of profit alone on the booze—and then you say: “By the way, don’t go to our parks, go somewhere else. Go to the island or out in your car and drink it there.”

11:40 p.m.

**Mr. Chairman:** Not the ball park.

**Mr. Nixon:** You cannot go to the ball park either—thank you very much, Mr. Chairman. This brings to mind another matter I wanted to raise.

Your policy is such a foul-up, to use the kindest word and the one the Chairman might permit me to use, it really is appalling. I find this small addition to our crazy liquor laws regrettable. I personally feel it is limiting my enjoyment of the parks and many others feel that way too.

I can recognize, of course, the situation that has led to the necessity for its introduction. I know you want to have three readings and have His Honour do his thing before the weekend. Luckily for us it is a rainy weekend, because nobody is going to have any fun anyway. It really is regrettable. However I am in favour of it.

**Hon. Mr. Walker:** The question of the life-style advertising and the whole matter of advertising has been under some attack recently. As you know, guidelines were produced years ago—

**Mr. Nixon:** They were the Grossman guidelines. The Drea guidelines reversed those.

**Hon. Mr. Walker:** There has been a recent advertising review and new guidelines have been produced that are more responsive to public criticism. The board is charged with that responsibility and just recently developed a revision of it. All advertising—be it television, radio or print advertising—has to be approved by the Liquor Licence Board of Ontario. Consequently, a revision to the guidelines has occurred and there have been new guidelines put out to the industry.

**Mr. Renwick:** What concerns me is simply the implication in the bill, as I take it, that this is going to be some kind of local option that is being granted. Surely the minister has to give us an assurance that the authority we are being asked to extend here is to be used in exceptional circumstances. I am quite happy with that. There are circumstances in which it is necessary, for the orderly use of the parks, for the authority to be able to intervene and prohibit the use of alcohol for a given period of time.

But surely the policy of the government must be to provide for orderly, peaceable citizens to go about the business of their leisure recreation in various parks. The exercise of this power by the government, if we are going to grant it to them, is going to be an exercise of judgemental quality and not simply the granting of local option to whatever conservation authority or other authority wishes to prohibit the use of alcoholic beverages in the parks. Can the minister give us the assurance that the judgement will be exercised and this power will be used only where it is necessary for the peaceful and orderly use of the parks?

**Hon. Mr. Walker:** As far as we are concerned it takes reasonably exceptional circumstances, but the most exceptional part of the circumstances is that it requires the decision to be made by the local body.

I do not know if you were here a few minutes ago when I read to the House the proposed regulation that we would pass today. That regulation simply specified the Charles Daley Park and specified a period that covered about four weeks, from May 15 until June 15. When the Niagara Parks Commission contacted us, we were satisfied they had some exceptional circumstances they had identified and wanted to correct.

We are certainly not applying this whole hog across the province. Indeed, since it was first introduced in 1977 or 1978 in a scattered number of parks—I think one was up around Wasaga Beach and another was at the Pinery—I

think over that period of time only 20 today fall into the category. Of all the parks and all the authorities and all the places where people can go and enjoy themselves in Ontario there are still only 20 that have made application under this legislation.

So it appears to be very spotty in its application, and it falls into line with the principle being applied. We do not want to try to take the same brush and paint the entire province with that particular regulation. So indeed it is, if you choose to call it that, a local option, and we are sticking to the point that we require certainly some strong indication that the need is there before we would do it; and secondly, of course, that the regulation would be proposed in the case of the conservation authorities by the individual authorities.

**Mr. Robinson:** Mr. Chairman, I rise in support of the proposed amendment to the legislation, though I am sure the minister would agree with me, as would all members of this House, that it is extremely unfortunate that it is necessary to have this type of legislation at all in Ontario.

Unfortunately some years ago and for a number of years ongoing it became a rite of spring in this province that we would begin our multibillion-dollar tourist industry each year on May 24 with a succession of black eyes in provincial parks across this province, where a variety of activities, most of them alcohol-related, would take place, would be reported widely in the news media and would place us under some sort of tourism-inducement stigma for a number of weeks until the summer and the green foliage overtook it and put us back in our rightful position as the number one tourist attraction in this entire country.

As the opposition House leader mentioned earlier when he talked about normal people—and I must congratulate him for considering that the members of this House, for some reason or other by the very fact they are here, may still be normal—it does go to show once again that the will and the privileges of the majority of people, normal as they may be, are once again unfortunately sacrificed to protect the overall benefit of this province from a minority who do not choose to respect them.

**Mr. Boudria:** Mr. Chairman, there are just a couple of things I want to get straight in my own mind as a person who uses parks extensively in the summer months along with my family. It does seem rather unreasonable, for instance, that you cannot go to the park on your wife's birthday with a bottle of champagne and sand-

wiches or something. That situation would not be one that would be acceptable. Would the minister consider perhaps allowing something in the regulation for hours, for instance, where liquor could not be served or exposed between 6 p.m. and 10 a.m.? At least it would not be as harsh as the possibility of this thing is right now for everyone concerned.

I know that you may want to try to stop the rowdiness that certain groups may be engaging in all night in certain parts. And again, as a user of the parks, I have witnessed some of that as well, and I do resent a gang of people who are partying at four o'clock in the morning when everybody else is trying to rest. But on the other hand I fail to see that it is that essential to make conditions harsh on everyone for an afternoon picnic, and I am just wondering if the regulations would permit something of that order?

**Hon. Mr. Walker:** Mr. Chairman, you know that the draft regulation I read in here spoke of a time between May 15 and June 15, and the honourable member from Prescott-Russell told me his wife's birthday is later in July. So in this case it would not be covered, and he will be able to go there to the park—

Interjections.

**Hon. Mr. Walker:** Is it not the end of July? Anyway, the fact of the matter is that at least there is a regulatory aspect to the proposal before us today, and clause (x) here says, "prohibiting or regulating and controlling the possession of liquor." So it is possible that individual authorities or commissions could ask us to have some restriction during certain periods of time or during certain periods of time or during certain days or months of the year. It is up to them.

**11:50 a.m.**

On the other hand, I dare say it must be a bit of a problem to say one cannot be in possession of liquor between the hours of 6 p.m. and 4 a.m. It would be rather difficult to do that, given that people come into the park at the beginning of the weekend and leave at the end of the weekend, presumably without leaving in between.

There might be a bit of a problem, but it is up to them to decide what they want to do and how they wish to regulate it. Whatever the case, it is up to the local conservation authority or, in this case, the local commission or, indeed, the parks operated under the Ministry of Natural Resources. It is up to them to decide whether they want to do something relative to regulation within certain hours.



**Mr. Boudria:** Mr. Chairman, what the minister has now said brings up another interesting situation which relates to the possession of liquor in the parks. We have to remember that if tourists are camping while going through Ontario from out west to the Maritimes or vice versa, they may be stopping in our provincial parks and may happen to have alcoholic beverages in their possession.

Would that mean they would have to dispose of those before entering the park premises under this type of regulation and, if so, what on earth do they do with it from the time they are in the park to the time they leave? I can see it possibly creates other problems for tourists using our provincial parks, especially those who are camping and this type of thing.

**Hon. Mr. Walker:** There is no question that it presents a problem. It is up to the conservation authority, commission or provincially operated park to make a decision as to what it wants to do. My suspicion is they will use discretion. My suspicion is they will act wisely whatever proposed orders in council they may request from us. This simply gives them authority to request these things. We would have the final authority in passing it.

**Mr. Haggerty:** Mr. Chairman, I am interested in Bill 21. As I interpret the bill, all the minister is doing is extending it in one or two park areas, particularly the conservation authorities. He has the Niagara Parks Commission, the St. Lawrence Parks Commission and the St. Clair Parkway Commission. I am sure they have well-established outlets now. I am talking particularly of the Niagara parks system which has liquor outlets, dining rooms and lounges along the parkway from Fort Erie straight through to, I believe, Fort George on Niagara-on-the-Lake. I cannot recall any difficulties in that particular area.

I think the intent of the bill is good, but I do not think it covers the problem areas of vandalism and rowdiness in the provincial parks. Maybe this is the area the minister should be looking at. If one permits the conservation authorities to have dining lounges or liquor outlets, they will be controlled.

Maybe the minister should be looking at the province establishing or renting out certain areas for such facilities that can be controlled in the proper manner. The remote areas of the province, in particular, have some exceptionally good parks. It is in these areas, say in northern or northeastern Ontario, where they have had some difficulties. They have had difficulties in the area of the Lake Huron parks.

I suggest this is the path we should be taking, allowing somebody to go in to establish a proper outlet, a lounge, a dining room or whatever it may be, to be served with meals or not. That is one way to control it under proper supervision. I do not think anybody would then have the need to go in and have booze and a party that goes on all night. Once one closes the place under regulations that apply to any other liquor lounge, dining room licence, bar or whatever it may be, it is midnight, one o'clock or two o'clock, depending on the locality and the municipality.

I suggest this is one area which we can control. But it covers nothing to answer the problems of the provincial parks where problems with drinking have got out of hand in the past number of years. I suggest this is an area the minister should be looking at. Perhaps we should be establishing other park areas like the St. Lawrence Parks Commission, the Niagara Parks Commission and the St. Clair Parkway Commission that have local authorities that can administer the policies from there.

Why not establish a provincial park system on Lake Huron, and on other lakes in Ontario along Georgian Bay? Why not establish areas like that where there are provincial parks that can be managed by local authorities in that area? I think it is a good idea that you say: "Sure, we will give the responsibility to the conservation area. Let them, if they want to hire some person to put up a building, do that. They can collect the taxes, give revenue to the municipalities, and so on."

You do have control on it, and I suggest that the bill does not cover the areas where it is required, where rowdiness takes place, and drinking problems take place in the province, in particular in the parks under the Ministry of Natural Resources. That is the area you should be looking at.

**Hon. Mr. Walker:** Mr. Speaker, I realize that these sections are somewhat confused because when the legal draftsmen get busy with them they seem to double-talk in them. In fact, I think if you had the benefit of the act as it at present stands in front of you and the new act—you likely do not have the old act in front of you, but if you had the two and compared them—you would see that, first of all, all provincial parks are now presently and adequately covered, so they are capable of being controlled, where it is appropriate.

As the member for Riverdale suggested, where there is a problem, it is controlled. Secondly, in the new proposal that is before

you, the new clause also contains that same reference to provincially controlled parks, so they will be adequately controlled. This merely extends it, not just to provincial parks, but beyond that to include the named commissions and the conservation authorities, so it gives us somewhat wider authority to achieve, I think, exactly what you are saying.

I am somewhat anxious to move the matter as quickly as possible in that the Lieutenant Governor is anxious to depart at noon today. If this is to be passed and signed into law by him giving effect to section 2, so that the act will come into force on the day it receives royal assent, we would hope that royal assent might occur within minutes, as opposed to within hours. That would then make it effective for this somewhat premature May 24 weekend, in this particular location, which, of course, is somewhat close to your riding as well, the Charles Daley Park, where they are anxious to have this control brought into place.

**Mr. Haggerty:** What park?

**Hon. Mr. Walker:** Charles Daley. That is one of the parks listed here.

**Mr. G.I. Miller:** For clarification purposes, if you go to a park, rent a site, and put your trailer on it, is that not considered your own home, and as long you are living within the regulations, you can use that and have a drink on that property?

**Hon. Mr. Walker:** I am not a hundred per cent sure of the answer to that question. I do think if it falls within the confines of the regulations of the 20 parks presently included within the ban, or if this particular one today, the Charles Daley Park, is to go through, if you happen to put your trailer on that site, then I would assume that trailer is governed by the operation of this regulation.

But again, it depends on local decision making.

Sections 1 to 3, inclusive, agreed to.

Bill 21 reported.

On motion by Hon. Mr. Wells, the committee of the whole House reported one bill without amendment.

### THIRD READING

The following bill was given third reading on motion:

Bill 21, An Act to amend the Liquor Licence Act, 1975.

**12 noon**

### HUMAN RIGHTS CODE

Hon. Mr. Elgie moved second reading of Bill 7, An Act to revise and extend Protection of Human Rights in Ontario.

**Hon. Mr. Elgie:** Mr. Speaker, today we move one step closer to achieving significant advances in the field of human rights in Ontario. I believe the legislation we are considering is relevant to the 1980s, and will be recognized as a landmark in the evolution of human rights reform.

This morning I would like to remind honourable members of some previous landmarks in our legislative history so that our discussion of Bill 7 may be undertaken in the context of Ontario's pioneering in the area of human rights.

During the 1940s, 1950s and 1960s, Ontario passed a series of acts relating to fair employment and accommodation practices. In 1958, we created the first anti-discrimination commission. In 1962 all of the various anti-discrimination provisions were consolidated in a comprehensive Human Rights Code, and full-time staff were appointed to administer the legislation.

The first code was amended 17 times to expand the prohibited grounds of discrimination, and to decrease the number of situations which could be exempted from the requirements of the code.

During 1975 and 1977 the Human Rights Code review committee conducted an exhaustive review of the entire code and produced a valuable report entitled *Life Together*. The committee's recommendations, which resulted from meetings and deliberations involving more than 300 individuals and organizations all across Ontario, covered a broad range of issues. The bill which is before us today addresses most of those as well as others that were not included in *Life Together*.

Many of us are by now familiar with most of the provisions of this bill which is essentially unchanged from the bill I introduced towards the end of the last parliament. The proposed legislation will cover new groups and classes of persons, and protect against types of conduct which have not previously been prohibited. It contains as well miscellaneous provisions relating mainly to the administration of the code—some procedural, some having to do with the structure of the commission itself, and some relating to expanded remedies for contravention.

I would, however, like to draw the attention of honourable members to certain changes that



have been made since we considered Bill 209 in December. We will, of course, have an opportunity to discuss these in detail when we arrive at clause-by-clause consideration of Bill 7.

For example, diabetes mellitus has been specifically added to the definition of handicapped to dispel any doubts about the coverage intended by the definition. This change was made out of deference to views strongly held by such as the member for Windsor-Walkerville (Mr. Newman), who has long been an advocate of this, as well as other members. Although it has been added specifically, I want it made very clear that in doing so the government in no way is intending to limit the definition of physical disability.

Section 15 of Bill 209 permitted a requirement of Canadian citizenship where this is provided by law or adopted to foster Canadian participation in cultural, educational, trade union or athletic activities. We have now made it possible in this new act to accord that same treatment to landed immigrants.

A new section 22, replacing section 21(7) in Bill 209, clarifies the requirements concerning employment applications and pre-employment interviews.

In section 34, the human rights commission is given the power to reconsider its decisions with respect to the dismissal of complaints and requests to appoint boards of inquiry upon the written request of the complainant. This is a consolidation and simplification of two sections in the previous Bill 209.

In addition, in section 38(1) we have changed the maximum award for compensation for mental anguish from \$5,000 to \$15,000.

These changes have been made to clarify certain provisions of Bill 209. It has been gratifying to hear and to read the general enthusiasm and approval that has been expressed by the opposition critics and by the media and the public about the then Bill 209 and the present Bill 7. I may say that my own mail has expressed widespread support as well for the new code and the propositions contained therein.

I do, however, wish to address one concern that has been raised by the opposition parties. They have questioned the ability of the human rights commission to administer the proposed new code with the present resource level.

I remind honourable members that in October the government increased the commission staff to help deal with an unacceptable backlog of cases which had become evident. At the same

time, I also announced the additional resources that would allow the new race relations division to undertake its important mandate.

These increases were significant and have provided the commission with a more realistic level of resources for the administration of the present code. However, as I emphasized when I made these announcements, they are and were independent of the new resources that will be required to implement the significant changes we are proposing in Bill 7.

Today I want to review briefly the key provisions of this bill. It seems appropriate to begin by drawing attention to the preamble, which confirms the universality of human rights and enunciates our commitment to revise and extend human rights in Ontario to reflect an evolving sense of equity and social justice. I believe that our new code achieves this.

Turning to the substance of the bill, I want to refer first of all to the expanded coverage provisions. Protection in all areas—employment, accommodation and the provision of goods and services—is extended to the mentally and physically handicapped. Past, present and perceived handicaps are included and “handicap” is defined to include physical disability, mental retardation, learning disability and mental illness. I believe this definition to be as broad as or broader than that in any comparable legislation in any other jurisdiction.

The new code will protect the victims of past injuries, including those who have received workmen’s compensation benefits, against discrimination on the grounds of their disabilities, subject only to bona fide occupational qualifications. Discrimination on the ground of handicap is also prohibited in the provision of services, goods and facilities, housing and commercial accommodation and in contracting, employment and membership in occupational associations and trade unions.

In every case, of course, they will be subject to the individual being capable of carrying out the essential functions associated with that particular activity in question.

Application forms may no longer require information about a handicap or a perceived handicap. The revision also addresses the question of insurability of handicapped persons. Generally, discrimination on the ground of handicap will be prohibited in insurance, subject to bona fide and reasonable exceptions in certain classes of individual and group plans, and employment may no longer be made conditional on the enrolment of a person in a benefit



or insurance plan and, where a handicapped person otherwise would be excluded from such an employee plan, the employer must pay him or her compensation equivalent to the contribution the employer makes on behalf of nonhandicapped employees.

I am not aware of a statute in any jurisdiction that provides this measure of protection. I believe we have been able to devise strong and effective provisions for the protection of the handicapped. In doing so, we have consulted extensively with organizations representing handicapped persons and others, and I believe their major concerns are met in the legislation.

**12:10 p.m.**

While the proposed protection for handicapped persons has been the most widely publicized change, there is, as well, significant expansion on other grounds of prohibited discrimination. The limit of protection upon discrimination on the grounds of age has been lowered from 40 to 18 years so that protection for persons over the age of 18 and below the age of 65 is provided.

The question of where the appropriate upper limit of age protection should be fixed is a particularly perplexing one—I suspect for each of us. The bill as it stands does not propose a change of the upper limit but, as I have indicated previously, I look forward to further presentations on this important matter.

On the one hand, there are persuasive arguments for raising the age limit from the present 65 to 70, or perhaps beyond. As a physician I cannot help but ask myself, as I am sure the members do, whether we really should allow healthy and able-bodied employees to be forced into retirement against their wishes.

On the other hand, I can appreciate the views of those employees who fear that such a change might result in their delayed retirement and delayed benefits, especially for those older workers who wish to take advantage of what they have considered for years to be the normal age of retirement.

We also have to look at the labour market ramifications of extending the definition of age under the code and the effect it might have on younger persons entering the labour force. The rates of unemployment there are chronically the highest.

Family status becomes a prohibited ground of discrimination, subject to certain exceptions in the case of accommodation to preserve what we believe to be legitimate lifestyle preferences. Protection on the basis of marital status—

broadly defined to include common-law relationships as well as the state of being married, single, widowed, divorced or separated—is assured also, subject to certain exceptions in the case of shared, single-sex, or owner-occupied, limited-sized accommodation. Discrimination in accommodation against those who receive public assistance is prohibited. Again, I believe the latter ground is unique in Canada.

Family protection in employment is extended to domestic workers who are specifically excluded from protection under the present Human Rights Code. I have mentioned that several new areas of activities are added to those stipulated in the existing code. For example, protection against discrimination in contracts is added. This will include contracts involving buying and selling.

Constructive discrimination is for the first time specifically prohibited, that is, imposing a qualification of some kind which would result indirectly in disqualifying a group of persons who are identified by a prohibited ground of discrimination. There are, of course, exceptions where the qualification is found to be reasonable and bona fide.

For the first time, discrimination is prohibited because of association with members of a protected group. Harassment, defined as engaging in a course of vexatious comment or conduct, is specifically prohibited in the context of employment and accommodation, and protection from sexual harassment is made explicit. Reprisals by persons in authority—for example, employers—against those who refuse or reject sexual solicitation, is prohibited. Tenants and employees are protected against harassment by landlords, fellow tenants, employers and fellow employees, based on any prohibited ground of discrimination.

I will touch briefly on the administrative, procedural and structural changes that have been proposed, changes which I believe will clarify the role of the commission, facilitate its operation, and help to ensure greater equity for all parties before it. The proposed code, for example, will bind the crown and will have immediate primacy over all future legislation. Two years after the code comes into force it will also have primacy over all existing legislation. In both cases there is provision for any legislation to state expressly that it excludes the application of the code. In addition, the commission, for the first time, will have the power to review and comment upon all legislation as it pertains to human rights.

Public or private affirmative action programs



designed to benefit a particular class of people are exempted. The commission, on a complaint or on its own initiative, will have the power to recommend the implementation of affirmative action programs to rectify systematic discrimination.

The government is very conscious of its responsibility to continue to promote and encourage racial harmony in Ontario. The new code gives a statutory basis for the race relations division within the commission and is headed by a race relations commissioner. This structure is already in place and is, in my view, working very effectively to reduce discriminatory practices and racial tensions in industry, the educational system and the criminal justice system.

The commission's power to refer complaints to boards of inquiry is continued and board hearings will be expedited. Hearings must commence within 30 days of appointment and the board of inquiry must make its findings and decisions within 30 days after the conclusion of its hearing.

Boards of inquiry are, in addition, given expanded remedial powers. They are empowered, for example, to issue orders requiring landlords and employers to take appropriate action to prevent future harassment of tenants and employees by fellow tenants and employees. They may also award damages for mental anguish, and in appropriate circumstances may make orders for access to premises and facilities following findings of discrimination on the ground of handicap, contrary to the code.

Finally, the new code makes it a condition of every crown contract and subcontract that the contractor or subcontractor will not discriminate in employment. This applies as well to recipients of crown grants, contributions or loans. A breach of these provisions may lead to termination of the contract or refusal to enter into further contracts.

I sincerely believe that these proposals deal with the legitimate concerns of the vast majority of Ontario citizens. With their commitment and that of the honourable members, the proposed code can provide new impetus in the fight against discrimination and reconfirm Ontario's dedication to the protection of human rights in Ontario.

**Ms. Copps:** Mr. Speaker, first of all, I think it is incumbent upon all of us to congratulate the minister upon his introduction of this most crucial and much-needed legislation. It is high time that Ontario, which was once a forerunner in the Canadian human rights field, moved to

the introduction of legislation which will eliminate the inequalities so aptly demonstrated in the Life Together report. It is legislation which, in my view, must supersede petty political partisanship and will guarantee human rights and human dignity to some of those members of our society who do not presently enjoy those rights.

If I am to address the issue of human rights, I must consider in the historical context former times which were not as democratic as our own. I would like to tell members a little bit about my grandmother, a widow with six boys to support in the late 1920s.

One of her few pleasures was to see her sons do well in school, giving them a chance at a future much more promising than her own; her other love was politics. In those days, there was not a public meeting that she would miss. She did face one problem, though. Women were not allowed to attend public meetings on their own; so she was always dragging out one of her boys to make sure she got a seat at a local political gathering.

To bring this into context, I should tell you why my grandmother became a Liberal. In those days, for a student to attain his senior matriculation was a costly proposition. Not only did he have to pay for books, but there was also a province-wide examination fee which, for a family of six, was prohibitive. My grandmother, being the enterprising woman she was, wrote to the then Minister of Education, a Conservative I might add, and asked if, in view of her meagre circumstances, he might consider waiving this fee for her son.

The reply, as told by my grandmother was, "Madam, in view of your meagre circumstances, I consider it highly presumptuous of you to even consider senior matriculation for your son, never mind further education." Case closed. Shortly thereafter my uncle gave up his ambitions and got a job working in a local mine where he was killed in a cave-in.

I do not presume to say that this kind of discrimination, discrimination based on class, would be contemplated by our present government. After all, times have changed. I think it would be fair to say that most reasonable people on all sides of the House embrace the notion of equal educational access for all, but the fact is that at that time my uncle was denied the right to further education simply because he came from a poor family.

I thank God that that kind of discrimination does not need to be addressed in this legislation.

I thank God not only that I do not need an escort to attend a political meeting, but that I can even be elected to office. But there was a time in the history of our country when women were not even allowed to vote because they were not considered persons in the eyes of the law.

**12:20 p.m.**

I would respectfully suggest that there are some groups still treated in that cavalier fashion by our society, and by the sin of omission this government has contributed to furthering discrimination. That sin of omission in this legislation applies to several groups. It applies to the disabled, where the government has included antidiscrimination laws but fails to demand reasonable accommodation. How can I justify this legislation to a disabled person who knows that discrimination will continue in jobs and housing as long as there is no provision for reasonable access?

That sin of omission applies to adults over the age of 65. By ignoring their inclusion in the act, the minister is in effect saying that our senior citizens do not have the same rights as the population at large. This government is well aware that citizens over 65 are leading productive, rewarding lives. Some of our own members of the Legislature have passed that magic age. Have they been sent out to pasture? No. Then why would the government impose collective discrimination on those over the age of 65? A man should be judged by what he is able to do, not by his age. Names like Sinclair, Reagan and Sargent are a testament to the fact that people need not be put out to pasture at the age of 65. How can we endorse this kind of discrimination in an act that labels itself a human rights act?

Likewise, the government has omitted the issue of sexual orientation. Is it so that in this province some are more equal than others? I am not seeking special privileges for minorities. I am not demanding extra advantages for our disadvantaged, our aged, our disabled. I am saying that in a country, in a province, that declares itself to be democratic democracy must apply to all people, not just to those who might reflect our own particular philosophy or lifestyle.

My family came to this country at a time when the message was clear: "No Irish need apply." In time the Irish became an accepted and integrated part of our society. Then it was the turn of the Italians, the Jews, the Chinese, the blacks. Our government has moved in an effort to stamp out racism in our society, but if we are to

let our citizens live secure in the comfort and knowledge that this government does not take a selective approach to discrimination, then we must amend Bill 7 in such a way as to prove that this government will not tolerate discrimination against any minority.

To put it in perspective, a few short months ago a controversy raged in my community over whether Sikhs should be allowed to wear turbans while driving regional buses. To members of the House this might seem like a ridiculous argument. Obviously, the human rights code guarantees freedom of religion, so there should be no question about it. But some objected. Why? one might ask. Because they were afraid of or did not agree with the particular philosophy, lifestyle or religion advocated by the Sikhs. I ask members as reasonable and democratic legislators, is that nonagreement reason to impose one's point of view on another contributing, responsible member of our society? I submit that it is not.

Believe me, I did not reach my conclusions without serious deliberation. I spent many hours pondering the position I am about to take. But I felt, and I hope that this House will agree, that the issue of human rights must transcend politics. If we as a free society are to grow and prosper we must allow the survival of lifestyles and points of view that differ from our own.

I do not ask you to enjoy spaghetti in order to respect an Italian's right to live and work without hindrance in our society. I do not ask you to wear a turban to allow free expression of various religious beliefs in our province. I do not ask you to live in a wheelchair to understand that the disabled must get a fighting chance at jobs and accommodation within our province.

I do not ask you to carry on working after the age of 65 as long as you are prepared to offer that option to productive, experienced members of our community. I do not ask you to condone a sexual orientation different from your own. I ask you to take the step many shrank from when Hitler was labelling Jews as subhumans in the Second World War. I ask you to consider that if we are to survive as a free nation we must cast aside all differences in guaranteeing freedom from discrimination.

It is for those reasons I plan to propose an amendment in committee that would seek three major changes in the act. It would seek inclusion of antidiscrimination legislation on the basis of age and sexual orientation and it would seek reasonable accommodation to ensure fair application of the act to the physically disabled.



I have received my leader's permission to be substituted at whatever committee deals with Bill 7 and, if my amendment is defeated in committee, I will reintroduce it in the House.

I will also be seeking reorganization of the Ontario Human Rights Commission. I will be asking for more expedient hearings and I will be calling for an increase in government resources to ensure that the human rights commission is not bogged down with lengthy waiting lists before respondents can be dealt with.

I will be acting on my amendment in the knowledge that some of the members of my own caucus will not in conscience support me. I will propose the amendment bearing in mind the words of Thoreau: "If a man does not keep pace with his companions, perhaps it is because he hears a different drummer. Let him step to the music which he hears, however measured or far away."

If this House is to ensure that legal discrimination is a thing of the past, not only for the Irish, the poor, blacks and women but for all, if this province is to ensure that all those of different lifestyles, religions and races are to be treated equally, if this government is to guarantee, not extra but equal treatment, and to prohibit discrimination against our aged, disabled and homosexual citizens, then this government has no choice but to amend Bill 7 to ensure liberty and freedom for all.

**Mr. R. F. Johnston:** Mr. Speaker, I am privileged to lead off for the New Democratic Party on this important bill. This is not just a revision but a new act.

The importance to my party of civil rights legislation and positions has been set out in the last 40 years. We stood for the Japanese-Canadians in their internment. We stood alone when we stood against the imposition of the War Measures Act. It is important to us as New Democrats that human and individual rights be protected. This is perhaps only secondary in our party to provision for the protection of the economic rights of our citizens in the country as a whole.

We welcome the bill, especially the new improved version of it. The ad hoc way in which things seem to get added to bills, both here and in the federal charter, is a little disturbing in terms of the importance of areas such as the disabled, but it is good to see it amended. It is good to see it here. Although we welcome it and will support it on second reading, we will be producing a significant number of amendments

in committee. The government's response to that package of amendments may well affect our third reading response.

Today I will speak to the positive aspects of this bill as well as to its omissions and deficiencies. The Life Together report, produced by Professor Thomas Symons has set the tone for what we all wanted to see in terms of a revised code. Dr. Symons and I go back to the days when I was a student at Trent University and he was the president. I have a great deal of respect for him and his views on civil liberties.

In large part, the minister has seen fit to take the majority of the items which are applicable to the code and put them into the new legislation. I want to read something from the introduction of Tom Symons' report to put in context the things I want to say today:

**12:30 p.m.**

"Respect for human rights is an old tradition in Ontario, but it is a tradition that may be more fragile than we think. Public respect for human rights is not something that can be taken for granted in any part of the world, not even in Canada. A climate of understanding and mutual respect will not grow of its own initiative. It requires careful and constant nurturing and encouragement through public education and legislative action."

The notion of what constitutes basic rights is not a constant thing. It is an ever-changing and moving thing and it changes with the mores of our society. Legislation, therefore, cannot be a one-shot affair. It must be something that can be adapted as our society changes and its values change.

A code must reflect the private and public moralities, hopes and aspirations and has to respect individuals and groups. There is a knowledge that whenever one brings in legislation of any sort to protect one group, one is often taking some rights away from another.

The forces that tend to tear us apart, and continue to tear us apart in terms of human rights, are often based on a lack of knowledge, on fear and superstition and on historical grievances. If one looks back to the growth of religious rights and the problems there have been in freedom of religion in this country, it was not that long ago there were not equal rights for all people of all religions.

I remember in the village of Warsaw, an Irish Protestant community where I lived in 1967, the neighbouring township was of Irish Catholic descent. Most of them had come to Canada in 1827 to 1835. Yet when one Catholic family

moved into Warsaw, the Protestant village, they only stayed two to three weeks because all the windows were broken, their children were beaten up and their car was vandalized. The law had changed by that point but the old habits continued.

The race question in Canada is even uglier than the religious one. We had rulings—and Tom Symons lists some of them—by the courts of this country as late as the 1940s which allowed racial discrimination, saying it was acceptable in our country. The vestiges of that kind of an attitude that was prevalent in this country are shown today on a regular basis in Toronto and throughout Ontario where the racial mix has changed so dramatically over the last 20 years or so.

In terms of sex, the notion of person which comes up in this act and in the old act was not applied to women for many years. Women were less than persons. They were disfranchised. The kinds of attitudes inherent there as to the second-class nature of women and the stay-in-the-kitchen notion of women have continued to arise even in this House as late as a week or two ago. The racial connotations have been shown in this House as late as last year, if not in an idle comment recently. It is a sad thing that even though we have a law that has covered those two areas for the last number of years, the vestiges continue and even in a place which is supposed to be full of honourable members.

Child labour, age discrimination, marital status and our views about that in terms of fairly strict Christian views have all constrained us in terms of our civil rights. But in a modern civilized state like Canada should be, the major focus for us all should be one of tolerance, not one of setting our values on to others. As legislators we should be at the front edge of attitudinal change. We should not be leading from behind because if we follow and wait until the persecutions of minorities have accumulated, no matter whom they may be against, we are adding to the punishment of those people in our society.

The preamble to the act refers to the 1948 Universal Declaration of Human Rights of the United Nations, and it is important that it do so. In that this is not an immutable situation, it would be much more useful if that preamble were amended to include some recognition that there has been movement at the international level on that basic bill of rights.

Perhaps we can refer to the international covenant that was first passed in 1966, to which

Canada acceded in 1976 and which took effect in this country in August 1976. I do not understand why that is not mentioned in the preamble, especially when it specifically states that the effects of that international agreement extend to all the states of a federation and, therefore, to the provinces. I ask that the minister look at that.

An important principle that is involved in this bill which concerns me is the principle of listing who should be included rather than having an overall nondiscrimination statement. The danger in that sort of thing is that we will be continually fighting rearguard actions in terms of trying to include groups which as our mores change get discriminated against, instead of allowing the commission to move with the times.

I prefer what is in the British Columbia act and ask the minister to look at that at least as an addendum to that listing, which is to add after the various groups that cannot be discriminated against "and any others without reasonable cause." I think that would be a very useful thing for us to have. The power of the commission then would be to act on that and to move. We have seen, with the past commissioner, that he was at the forefront of change. He was at least four years ahead of us here in the Legislature, and it would be wise to have a commission with more power in that area.

I also ask the minister to consider looking at to whom the commission should be responsible. Professor Symons made a strong plea that the Premier (Mr. Davis) be the minister through whom the act is covered. This would not be done to denigrate the status of our present minister but to give an extra status to that law and to the importance of that to the fabric in this society.

I also ask him to try to include, as Symons has asked for again, the connection to this Legislature, rather than a connection through the government and through the executive. It would be very important that we have more than what you have put into the bill; that is, just an annual report. Instead, perhaps we would have a standing committee, as was suggested by Symons, or at least an understanding that a committee would have responsibility on a regular basis for reviewing some of the rulings that might have implications in terms of future changes in the act; in that way we could move quickly on amendments and not be far behind.

The powers of the commission, as I see them in the bill, are ones of investigation, establishing



boards of inquiry, recommending affirmation action, promoting the principles behind the bill and now also imposing penalties. I think those things are important and, although the minister has alluded to the fact that he has put more money into the commission and he is hoping that will speed things up and give them that kind of power, one only has to look at the budget for the Ombudsman, in comparison with the commission, and one can see there is a great discrepancy.

If we are really going to do the promotional kind of work that Symons talked about, if we are actually do active kind of work to inform people about groups like the Ku Klux Klan and what they stand for, if that will be a role for the commission, they will have to have more money to do that positively.

Look at the case load for the moment: The latest figures I have show that there is an ongoing case load—they do not like to call it a backlog; they say they are “in the pipe”—of about 1,000. That is a bit of a drop from last year, when there was an addition of funds, but it is still only about 100 fewer than we had last September. It is not a significant drop at this time. When we consider that 51 per cent of those cases that are in the pipe have been there for nine months or less, that means 48 per cent have been in the pipe for more than nine months.

**12:40 p.m.**

There is a lack of money, there is a lack of staff, or there is something wrong with the operation of the commission, because it is not able to act fast enough to make people feel confident that they should go there. I am sure there are members throughout this House who have had people come to them with complaints, who are reluctant to go to the commission, because they do not think it is going to take any action, because they think they will wait forever. I encourage the minister to understand that money must be put in if we really want this commission to act in a more productive way.

I am glad they are doing things like producing Affirmation, a document which I gather comes out quarterly and goes out to about 9,000 people. That is a good kind of promotional thing to do. It is the kind of thing that should also come as a report to us here in the Legislature, and it should be geared to the kinds of cases they are coming up to that pose questions for us as legislators. I think that would be very useful from our side of things. Maybe a parallel organ, if they want that one to go out to the public,

would be a good idea. But it is designed to go to the public. I would like to see it on a broader distribution than just the 9,000, and more money would need to be given to that.

I might go into some of the groups on discrimination involved in what you have accomplished or not accomplished in those areas in this bill.

I will start with the disabled because, of any group in our society that has been disfranchised or left as maybe third-class citizens for generations, that is the largest group, the group that has overcome not only those people's disabilities but also the prejudices against them and their abilities and their capacity to be seen as real human beings. Those people—I must give them every credit—will welcome what the minister has done with this bill, but they are responsible for what he has done with this bill.

When the minister introduced that separate bill last year, it was one of the greatest affronts that I can imagine being perpetrated against that group. What we said was: “They should be separate; they should not be included in this bill.” That was the statement made by doing it that way.

The mealy-mouthed motions in there, which are not in this bill—thank you, they are not in this bill—about ownership, burden of proof and that kind of thing were an insult to those people. They stood up and said: “We do not want halfway measures; we want the whole thing, and we would rather wait.”

They came and lobbied us, the Liberals and the government, and thank God we did not have that go through as just a piecemeal piece of legislation. I think they will be very happy in the things that have come through.

There are some concerns. The member for Hamilton Centre indicated the one about the slow motion of reasonable access, and I think that is something we are going to have to discuss a fair amount in committee. I have some concerns as well about section 38 and subsections 2 and 3, which have to do with enforcement, the power to order changes and what are likely to be the limitations in that. Maybe there should be some tightening up of the wording. But generally speaking I am not too concerned with that. The handicapped individuals I have talked to have not expressed too much concern with me. I think the member for Bellwoods (Mr. McClellan) will be speaking more to that section when he speaks.

I have a little concern about section 20, again not to be specific, but in principle. That has to

do with the possible exclusion of handicapped individuals in terms of certain kinds of contracts, insurance programs and that kind of thing. I have some concern that it may be a little loose, and I hope we will have some professional help to determine whether that language is tight enough to make sure there is protection from its being abused.

I get very concerned that the chamber of commerce in February, I think it was, made a statement saying the compliance that was going to be demanded in the legislation looked a little too tough for them. I am a little worried about that lobby keeping the language weak.

At the same time as we have these things in the bill, which I am pleased to see, we have in our society no acceptance in other legislation that mandatory changes must be made to access to our public buildings like schools. Without that happening in terms of our regular legislation, how can we expect the commission to be strong in demanding that kind of access when they are petitioned by an individual?

We have accepted a concept that was abhorrent to Professor Symons. We have accepted the idea that we should have a separate transit system for the handicapped, and a really inferior kind of system. It is a system that keeps some people waiting for two or three hours for a return ride in Metropolitan Toronto. I have constituents of mine who have been only about 20 minutes away by car from a hospital location who have had a three-and-a-half-hour drive home in the bus, going all over Metropolitan Toronto.

They have to book a week in advance. They cannot go out at night. It is expensive, but we know it is possible to try to make our public transit system more accessible. That is something we should be doing. I do not understand how we can talk about equality in real terms if we are not looking at the expansion of the light rail transit in Scarborough, for instance, to make it accessible to the handicapped. It would have cost only approximately one per cent more with new construction to make it fully accessible and yet we did not do it.

There is a really horrible juxtaposition between what is supposedly the spirit of this bill and what we have been doing in this province.

My colleague the member for Bellwoods has raised a number of times the question of pay levels for people in sheltered workshops and the way they are being used and misused. Many of us have raised the whole question of prosthetic devices.

They were talking about equal access of kids to education while children in my riding who are hearing impaired have hearing aids that cost \$600 to replace. They have to be replaced two to three times during their growing period at the public school age. They cost \$600. Their parents are not covered by the Ontario health insurance plan. They have to make the decision to sacrifice elsewhere to make sure their children can have the same access to basic education as any other child. That should be covered by OHIP. That should not be a decision a parent is forced to make. At the same time as we have this bill we do not have that kind of coverage. That juxtaposition concerns me.

The bill continues to include race and prejudice in that area. It has not made any major changes there, although I have not seen any demanded.

I was struck very much by the Sikh community when we had the potential problems about a year and a bit ago now. In the Riverdale area there have been many instances of violence. They spoke about the racial slur, the use of the racial joke as being as offensive and definitely wounding as the physical blow that might have been perpetrated on one of those people on Gerrard Street East.

I cannot help but feel that, while we have the Ku Klux Klan operating in our province and while we have racial jokes continuing to be regular meat and fare in our public schools, high schools and locker rooms around this province, we should have put more money into the promotion of just how harmful and soul-destroying that is for people. As I said before, it has even happened in this House but, if it is acceptable here, I guess it is acceptable anywhere.

I understand 40 per cent of the present cases looked after by the commission are race-related cases. I have to question whether we have sufficient staff, even with the expansion, to cover those at this time. I think they need much more power in that area.

I think they also need more power to be able to do studies. Both the member for Riverdale (Mr. Renwick) and I raised that and were savaged thereafter by my good friend Claire Hoy for having suggested that perhaps there is a role for the commission in undertaking studies to see what the extent of the problem is in the community.

I want to move to sex and sexuality while I have Claire Hoy in the House and he can hear everything I say. I am putting the two together



deliberately even though they are obviously very much separated in the minds of the legislators on the other side; but I think sex, sexuality and sexual orientation are all connected.

In terms of discrimination by sex we have had, and continue to have, discrimination against women in our work force. We continue to have women working at jobs comparable to those of men who are still earning much less than those men. We have no acceptance of the concept of equal pay for work of equal value. We have recently had women who are discriminated against in terms of their ability to get loans.

We have no acceptance on the other side of the House that day care is an essential ingredient in terms of an employment right for women. Instead, we look at it as some kind of social welfare issue. It is not; it is a basic employment issue.

**12:50 p.m.**

I hope we see some clarification from the minister of the power of the commission in terms of affirmative action. One of the things that concerned me, even in terms of the Symons report, was that it talked about recommendations in affirmative action. In this case it is not just to deal with women but in terms of all groups. It can recommend that a company make changes but there is nothing that tells me just where it goes from there. I think a committee would want to know a bit more about that and perhaps even bring forward amendments that would talk very specifically about affirmative action.

In terms of women and discrimination by sex, I notice the Saskatchewan bill of rights has included a very specific statement about pregnancy and illnesses related to pregnancy. I am not sure why they have done that, but I would be interested to have a ruling from some legal people as to whether that is a necessary thing to add.

In terms of sexuality, I look at sexual harassment as part of the overall question of sexuality and individual rights. Surely at this time in our society, sexuality is accepted as a matter of private choice and as a matter of a person's fundamental rights, something that cannot be messed around with. Surely that is the case and that is the principle behind the move to stop sexual harassment. Surely what we are saying is that women have rights not to be fondled and messed around with on the job, and that men are not in some sort of position where they can do that and get away with it. Surely the principle behind it is that a woman's sexuality and her preferences are to be dealt with seriously.

I worry a little bit when I see an addendum to the wording about persistent harassment to say that an employer or some other person ought to reasonably know that it is unwelcome. I do not think that is necessary today. Persistent advances should be known to be unwelcome. I do not think there is any need for that addendum to be put in. Surely that is an acceptance of the rights of women in terms of their sexuality.

When I look at the marital status change, I look at it as being slightly broader than that, which is to say that it includes the status of living with a person of the opposite sex in a conjugal relationship outside of a marriage. We are accepting that now. That is just not a marital concept; it is a sexual concept. We are now saying something that would not have been acceptable in the 1940s, something our society could not have accepted, is accepted and a landlord cannot discriminate against a couple because they are living in sin or whatever the term is. That in my view is tied in with sexuality; it is not just a matter of marital status.

I refer this to the minister and ask his staff to see whether it is true, but I have heard rumours in the last few days that the Moral Majority types in California are actually bringing in legislation that will prohibit motel and hotel owners from allowing people of opposite sexes to share a motel room if their names are not the same. To say that those things are not included in terms of sexuality, and not just marital status, is to be foolhardy.

This brings me to the matter of sexual orientation and the gross misjustice that is done by omitting that from this bill. The only group that Symons listed in his report, saying it definitely had to be covered, and spent a lot of type on why it should be included, is the group covered by the term "sexual orientation" and therefore homosexuals. He only looked at it in terms of homosexuality and heterosexuality, and for some reason or other that group is not included here. I think we know the reasons why.

When I spoke in November, I basically teased and cajoled the House about there being various kinds of sexual orientations that may not be acceptable to us, but they do exist. I guess maybe that was the wrong attitude to take in the House. I should not have teased, and therefore I was called to order by the then Speaker.

Homosexuality is probably the hardest thing for a large portion of our society to come to grips with, and I think it goes back to society's problems with sexuality in general and its inability to deal with those things openly and in a

frank way. It is also tied up with our religious beliefs; that causes us a great deal of legitimate confusion for a lot of people. But there is also a lot of fear. That fear, in my view, is based primarily on a lack of knowledge.

When those of us who have friends who after many years have come out of the closet to express their views as homosexuals, we have found those people do not somehow turn into some weird zombies totally different from what they were before. They are the same persons who, in a lot of ways, now feel very liberated and very much happier than they were before. A lot of us maybe who have not had the experience of having friends who have done that are perhaps not as sympathetic as we might be to the complexities and the pain and torture that people suffer as they go through that process.

In the last two decades I would say sexuality has become much more of a public kind of thing through theatres, cinemas, books, concepts of group therapy and all those kinds of things. Through these, people have started to identify themselves more in sexual terms. That is something we should recognize that has been going on. Whether they are recognizing themselves as heterosexual in the straight, normal family style, or whether they are looking at themselves as homosexual or bisexual—or as swingers—that identification of groups in our society has been occurring. People see that as an expression of their individuality and of their right to lead and express themselves in that fashion.

Many decry the lifestyle of homosexuals or heterosexuals who are promiscuous, for instance, in our society. Many dislike the pressure they have felt from groups who have been lobbying on this issue. I can understand that, especially if one has gut fears and concerns about the whole issue as a start. But that pressure is there because that is a reality in our society. It is not just something we should shove away.

It brings me back to the basic principle of tolerance. It is easy as hell to be tolerant of something that one understands or feels sympathetic to; it gets hard to be tolerant when it is

something one does not understand or does not like or feels angry about. Surely that is what we should be looking at in terms of an attitude about sexuality and the rights of homosexuals in our society. I think we have to look at sexuality as our private right of self-expression.

Not in terms of homosexuality but as members of this House, whatever one's sexuality is, do members really wish their landlord, their employer, their government ministries to have some say in that? Do they really want them to have some kind of curb over the way one is going to express oneself? Surely not, and surely that is the issue.

**Mr. Speaker:** I direct the member's attention to the clock.

**Mr. R. F. Johnston:** I obviously cannot conclude at this time, but you have come right in the middle of the good things I was going to say. I would like to continue on Tuesday.

On motion by Mr. R. F. Johnston, the debate was adjourned.

#### INTERIM ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Gregory:** Mr. Speaker, prior to the adjournment of the House, I wish to table the interim answers to questions 66, 69, 70 and 72 standing on the Notice Paper. (See appendix, page 752.)

#### ROYAL ASSENT

**Mr. Speaker:** I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to a certain bill in his chambers.

**Clerk of the House:** The following is the title of the bill to which His Honour has assented:

Bill 21, An Act to amend the Liquor Licence Act, 1975.

On motion by Mr. Gregory, the House adjourned at 12:59 p.m.



## APPENDIX

ANSWER TO QUESTION ON  
NOTICE PAPER

## ONTARIO MORTGAGE CORPORATION

**4. Mr. Philip:** Will the ministry list all mortgages held by the Ontario Mortgage Corporation which have been sold, providing the date of the sale, the amounts of the mortgages sold, and the rates of interest charged by OMC and by the purchaser of the mortgage? (April 29, 1981.)

See sessional paper 59.

INTERIM ANSWER TO QUESTIONS  
ON NOTICE PAPER

**60. Mr. McClellan:** Will the Minister of Health provide the most recently available total number of doctors opted out of OHIP? What is the number and percentage of this number represented by: (i) general practitioners; and (ii) other specialists? What is the number and percentage of total physicians in Ontario represented by the numbers of opted out: (i) general practitioners; and (ii) other specialists? (May 1, 1981.)

**61. Mr. McClellan:** Will the Ministry of Health compile, by region and by medical specialty, a list of the latest available numbers and percentages of doctors opted out of OHIP? (May 1, 1981.)

**62. Mr. McClellan:** Will the Minister of Health table, by health district, the following information: (i) the current number of hospital beds; (ii) the current bed-population ratio; and (iii) the reductions in the number of beds which are projected to reach the bed-population ratios of 3.5 for Southern Ontario and four for Northern Ontario by June 1981? (May 1, 1981.)

**63. Mr. McClellan:** Will the Minister of Health table the most recent numbers of hospital beds, broken down into: (i) active treatment beds; and (ii) chronic care beds? (May 1, 1981.)

**64. Mr. McClellan:** Will the Minister of Health table a list, by facility, of the number of: (i) active treatment; and (ii) chronic care beds which are planned, together with the dates on which they are due to be opened? (May 1, 1981.)

**66. Mr. McClellan:** How many hospitals have projected deficits for the current fiscal year? Which hospitals are these? What are the dollar amounts of each deficit, and what is the total deficit projected for all public hospitals? (May 1, 1981.)

**67. Mr. McClellan:** Will the Minister of Health table a list of health programmes directly funded by the province which provide services in languages other than English, specifying the languages used? (May 1, 1981.)

**68. Mr. McClellan:** Will the Minister of Health provide a list of ambulance services, indicating whether they are provincially-run, municipally-run or privately operated? What is the number of ambulances operated by each service? (May 1, 1981.)

**69. Mr. McClellan:** Will the Minister of Health provide an estimate of the total dollar amount which will be allocated to the expansion of public health programs in 1981-82? (May 1, 1981.)

**70. Mr. McClellan:** Will the Minister of Health list the programs and indicate the total dollar cost for 1981-82 of all directly initiated preventive health initiatives? (May 1, 1981.)

**71. Mr. McClellan:** Will the Minister of Health table a list of start-up grants provided for new health programs in 1980-81 and budgeted, provided or otherwise projected for 1981-82, indicating the amounts given and identifying the sponsoring organization? (May 1, 1981.)

**72. Mr. McClellan:** Will the Minister of Health indicate how many hospital budgets have been approved for this fiscal year and how many have been appealed, listing the hospitals in the latter category? (May 1, 1981.)

**73. Mr. McClellan:** How many OHIP claims were submitted on an opted out basis for: (i) 1980-81; and (ii) 1981-82 to date, and what percentage of the dollar cost of all OHIP claims did these claims represent? (May 1, 1981.)

**76. Mr. Ruprecht:** 1. How many psychiatric hospitals were there in the province in the years 1965, 1975 and 1980? 2. How many psychiatric beds were there in the years 1965, 1975 and 1980? 3. What was the average length of stay in a psychiatric hospital in the years 1965, 1975 and

1980? 4. What was the availability of beds in psychiatric hospitals in the years 1965, 1975 and 1980? (May 1, 1981.)

**Hon. Mr. Timbrell:** Due to the large number

of questions addressed to my ministry, additional time is required to research and prepare responses. I anticipate that my answers will be tabled on or about June 15, 1981.

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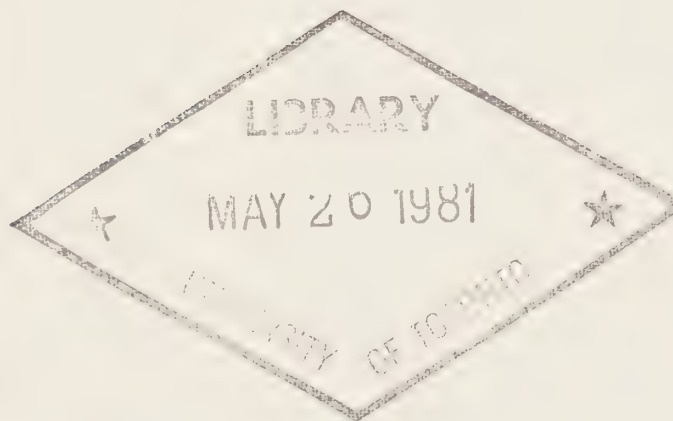




No. 22

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Tuesday, May 19, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, May 19, 1981

The House met at 2:02 p.m.

Prayers.

## VOTES AND PROCEEDINGS

**Mr. Martel:** Mr. Speaker, on Thursday last there was a resolution presented by the member for Yorkview (Mr. Spensieri) from the Liberal Party. In the Votes and Proceedings on that day it is indicated that the New Democratic Party, along with several Liberals, objected to that resolution being voted on when, in fact, it was the Conservative Party that took the opportunity to block the possibility of a vote on a very important resolution.

I think the Speaker should ask the table officers to correct the error to show that it was solely the Conservative Party that blocked the matter coming to a vote. I would appreciate it if that error could be rectified.

**Mr. Speaker:** Thank you very much, Mr. Martel. That will be looked into and corrected.

## ORAL QUESTIONS

### MEDIUM-SECURITY FACILITIES

**Mr. Smith:** A question for the Minister of Health, Mr. Speaker: The minister will recall that I wrote to him on May 4, some two weeks ago, concerning Mr. Tony Riggio, a man resident in the Toronto area who is in Oak Ridge maximum-security unit at Penetanguishene simply because there is not a medium-security facility in Toronto, like that in the Lakeshore Psychiatric Hospital where he used to be taken care of quite well.

Can the Minister tell us how many others there are like Tony Riggio who, although they have committed no crime, are in a maximum-security centre for the criminally insane simply because of a lack of medium-security facilities in our own home area including, it seems, Metropolitan Toronto?

**Hon. Mr. Timbrell:** Mr. Speaker, I do not have any figures at hand on that, but I will tell the honourable member that over the last couple of years we have been developing medium-security facilities in various parts of the province. If one goes back four or five years ago, there were none. We have since developed

them in North Bay, Brockville and St. Thomas, and by the end of this year we will have a medium-security facility of 26 beds at the Queen Street Mental Health Centre.

**Mr. Smith:** Will the minister explain to this House why it should be taking this much time to develop medium-security facilities in a large centre like Toronto and how he can justify having closed the Lakeshore hospital, where such a facility existed, in such a manner as to leave people like Mr. Riggio, and presumably dozens of others, with no alternative but to be incarcerated in the very harsh conditions of the maximum-security facility for the criminally insane at Penetanguishene?

Why has it taken until now to announce that there is going to be a facility this fall, by which time Mr. Riggio will have been there for a year, having committed no crime and certainly not requiring, according to the minister's own ministry, a maximum-security facility?

**Hon. Mr. Timbrell:** First of all, the Leader of the Opposition uses the term "the centre for the criminally insane" in such a way as to leave the impression with some people that all those at Oak Ridge are there by reason of some kind of court order. In fact, since the beginning of the system some people are there by virtue of being under Lieutenant Governor's warrants; others are there because, given the nature of their illnesses, a maximum-security facility is deemed to be most appropriate for them. I point out to the member, and he may know this from his earlier career as a practising psychiatrist, that there are eight wards of varying levels of security at Oak Ridge.

With respect to the member's observations on Lakeshore, that was known as the special observation unit, as I recall. It was headed by a Dr. Frank. It was not what we would refer to today or at any point as a medium-security unit. It had higher levels of staffing—that is why it was called the special observation unit—but it did not have the type of security that we have now at St. Thomas, Brockville or North Bay or that we are going to have at the Queen Street Mental Health Centre. That unit was going to change whether Lakeshore closed or not, inasmuch as Dr. Frank was to retire that year. It was



anticipated that his leaving system would in and of itself have a profound effect on the program, because basically it was his program.

Given that it was not what could be called a medium-security unit, it was felt that we could probably get along with the forensic facilities that exist at the Queen Street mental Health Centre and the facilities at the Clarke Institute of Psychiatry and at the Whitby Psychiatric Hospital.

We have concluded in a review over the past six months that, looking to the future, we do need something more secure in the Metro area, but not as secure as Metfors or Oak Ridge. Within the last month we have already instructed staff to begin, and we are now basically subject to the availability of contractors to complete the negotiations—

**Hon. Mr. Davis:** And the availability of money?

**Hon. Mr. Timbrell:** No, not subject to the availability of money, the money is there in the budget; subject to the availability of the contractors to carry out necessary renovations, it will be operative as soon as those renovations can be carried out.

In addition, I anticipate that when we rebuild the Whitby Psychiatric Hospital in the next few years a medium-security facility will be included in that as well.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Will the minister table in the Legislature the details of all the Lieutenant Governor's warrants that are currently outstanding, with the number of years that the patients have been in provincial facilities as a consequence of the warrants and with the time at which the warrant was last reviewed and the level of official or cabinet minister who reviewed those warrants, so that we can be assured that people are not locked up and the key thrown away because of this device?

**Hon. Mr. Timbrell:** That is a very good point, Mr. Speaker. The cases are reviewed regularly; at least once a year or earlier if I ask for a special review, as from time to time I do after representations by the patient's family or legal counsel or whomever.

**2:10 p.m.**

The cases of patients under the Lieutenant Governor's warrants are reviewed by the advisory review board, which is chaired either by Mr. Justice Haines or by Mr. Justice Krever. Then the reports come to me. I read every report, including all the background informa-

tion, and decide whether to confirm any recommendation to the executive council of Ontario. I will tell the honourable member that from time to time I do not agree with their recommendations and I recommend something different.

I do read every single report. The cases are reviewed at least once a year and more frequently in some instances. As I say, sometimes I am not satisfied with representations made to me and sometimes I will say, "Do this one again in six months time," just as a check on the system.

**Mr. Ruprecht:** Supplementary, Mr. Speaker: Further on the impact of the closure of Lakeshore Psychiatric Hospital, will the minister not agree that it would make a lot more sense to follow through with this program of deinstitutionalization only if alternative services were in place, such as the 26-bed medium-security centre he was talking about today?

**Hon. Mr. Timbrell:** Mr. Speaker, when we closed Lakeshore, we moved the entire inpatient population, with the exception of maybe three or four cases—I think it was three or four—to the Queen Street Mental Health Centre. The balance went to Hamilton Psychiatric Hospital, if I—

**Mr. Smith:** And from Queen Street to Penetanguishene.

**Hon. Mr. Timbrell:** No. Well, on an individual basis they may well have, depending upon the nature of the illness. Surely the member, as a former practising psychiatrist, will agree that there are times when people become so ill and so dangerous to themselves, to the staff or to other patients that they require medium security or in some cases maximum security.

**Mr. Smith:** At Lakeshore, they had it.

**Mr. Speaker:** Order, please. The minister will reply to the question.

**Hon. Mr. Timbrell:** No, with respect, it did not. Further, in answer to the member for Parkdale, at the time we decided to close Lakeshore, I committed us to spend half of the savings from the closing of Lakeshore on new community mental health programs. If memory serves me correctly, the original estimate of savings from the closing of Lakeshore was approximately \$2.6 million. I could be mistaken, but I believe the actual savings have turned out to be around \$2 million.

Going by the original pledge based on \$2.6 million, we would have put in \$1.3 million. In fact, I think we have put \$1.5 million into new



community mental health programs in the Queen Street catchment area, a great many of them in the member's own constituency and in downtown constituencies where, because of the nature of the type of patient we are dealing with in Queen Street, and for that matter in most provincial psychiatric hospitals, there tends to be a concentration. That is part of the 100 per cent increase in spending in the last two years on community mental health programs.

### POWER GENERATION

**Mr. Smith:** Mr. Speaker, I have a question for the Premier in the absence of the Minister of Energy (Mr. Welch).

The Premier will recall that, when Ontario Hydro announced it would write off approximately \$160 million on the closure of the Wesleyville generating station, there had been an examination to determine whether Wesleyville could be converted from oil to burn coal instead. Hydro said, and I quote: "Although Hydro examined the possibility of converting Wesleyville to burn coal, such a station would not likely be needed until the late 1990s or beyond."

Has the Premier examined the figures used by Hydro, and is he himself convinced that, if Wesleyville were converted to coal, there would be no need for such a station until the late 1990s or after 2000?

**Hon. Mr. Davis:** Mr. Speaker, I have not personally examined them. I will be delighted to do so; although, quite frankly, I think I will ask the Minister of Energy to examine them and reply to the Leader of the Opposition.

**Mr. Smith:** Will the Premier ask himself as well as the Minister of Energy the question why, if there would be no need for such a station burning coal until the late 1990s or 2000, it could be that there would be a need to speed up Darlington generating station? If there were no need for this additional generating capacity until after the 1990s, why would there be a need to speed up Darlington?

**Hon. Mr. Davis:** I can only guess that the decision to speed up Darlington made the Wesleyville plant less than necessary until the 1990s.

**Mr. Smith:** If the Premier is saying one of the costs of speeding up Darlington is to write off an additional \$160 million on Wesleyville when otherwise it could be converted quite easily to coal, then I wish he would state so as an absolute

fact and not have to guess at it. It was the Premier's decision to speed up Darlington, not Hydro's.

Might I ask, therefore, whether any other coal stations will be rendered unnecessary as a result of the speeding up of Darlington and what coal stations might be closed down before it was previously planned to do so, as a consequence of speeding up Darlington?

**Hon. Mr. Davis:** I would have thought the Leader of the Opposition would be the first one to congratulate Ontario Hydro for its great leadership in moving ahead with Darlington. In that classic windup to the throne debate, I know he was engaged on pressing public business elsewhere. He felt strongly about the leadership of Ontario Hydro, and one of his personally signed letters during the fund-raising aspect of the recent campaign was sent to Hugh Macaulay, the chairman of Ontario Hydro.

**Mr. Bradley:** Answer the question.

**Hon. Mr. Davis:** I did not want him to miss the fact that he had asked Hugh for a contribution.

I seem to recall the Leader of the Opposition, at some point in his political career when it suited him, making a fuss about acid rain. I am sure if Ontario Hydro were not taking the appropriate moves at Nanticoke, that would have been the question today. If there were some alternatives to coal-fired plants, the Leader of the Opposition, to be consistent, which is unlikely, would be saying to Ontario Hydro, "Why don't you move away from coal?"

I can only say to the Leader of the Opposition that I find his line of questioning somewhat illogical in the light of what he has said in the past with respect to acid rain. He cannot have it both ways. If he wants to reduce acid rain emissions and he is going to single out Ontario Hydro, as he has done consistently—I am not saying they are writing off \$180 million to expedite Darlington—I am very surprised to hear him urging Ontario to move ahead with further coal-generated plants. It just does not make sense.

**Mr. Smith:** Which stations are being closed? That is a very direct question.

**Mr. Speaker:** Order.

**Mr. MacDonald:** Mr. Speaker, I have a supplementary but, if the Premier is concerned about indiscriminate fund-raising letters going to Hugh Macaulay, perhaps he can do some-



thing about it within the Conservative Party, because they are going to everybody, including myself.

Interjections.

**Mr. MacDonald:** And they got nothing!

**Hon. Mr. Davis:** Neither did the voters of York South.

**Mr. Speaker:** Order. Question, please.

**Mr. MacDonald:** My supplementary to the Premier, if he can get his mind back on track, is this: Since Darlington in its speeding up is going to be completed in 1990 and, according to the present load forecast, its fourth unit will not be needed until about 1996 or 1997, do I presume correctly that beyond Darlington, if there is ever going to be another station needed in Ontario, it may be Wesleyville?

**Hon. Mr. Davis:** Mr. Speaker, I must confess that I have not really projected much beyond 1990 so far in terms of what this House might be doing—I have projected that far ahead—but I will only say in answer to the member's preamble that he may have had a letter from our very important group of people who assist in the political process, but at least none of them had ever accused him of being appointed through political patronage to the position he has at present, as the Leader of the Opposition did with respect to the chairman of Ontario Hydro. I find that a bit—

**Mr. MacDonald:** Back to the question.

**Hon. Mr. Davis:** Listen, the member led off with a totally irrelevant statement.

Interjections.

**Hon. Mr. Davis:** I cannot tell the member what the next plant will be with respect to Ontario Hydro's capital program. I do know we have asked them to expedite Darlington, and we hope that will accommodate their needs until 1990. I cannot evaluate what the load forecast will be five or six years from now, but I will try to ascertain that information for the member as soon as I can.

2:20 p.m.

**Mr. Speaker:** Order, please. I ask the consent of the House to call on the Minister of Labour to introduce some guests from Italy.

#### ITALIAN VISITORS

**Hon. Mr. Elgie:** Mr. Speaker, it is my pleasure to introduce some visitors from the region of Abruzzi in the country of Italy: Dr. Marinaro, president of the regional council; Dr. Giannunzio,

head of the Department of Public Works; Dr. Ricciuti, member of the regional council and past president of the regional government; Dr. Cicerone, member of the regional council and leader of the regional Communist councillors; Dr. Pertricone, president of the provincial council of the province of L'Aquila; Dr. De Rubeis, mayor of the city of L'Aquila; Mr. Santini, president of Teatro Stabile de L'Aquila; Mr. Calenda, director of Teatro Stabile de L'Aquila; and Mr. Centofanti, manager of the Teatro Stabile de L'Aquila.

**Mr. Di Santo:** Mr. Speaker, if I may add my own welcome to the representatives of the region of Abruzzi, I wish to say that this is the second visit they have paid to Ontario. It has already been fruitful because since Mr. Ricciuti came, there has already been a cultural exchange with students from Oakwood Collegiate visiting and being guests of the region of Abruzzi. Their visit will be reciprocated by Ontario.

They are here to announce the cultural exchanges between Ontario and Abruzzi. I welcome them because that will certainly make sure that the relationship between the people of Ontario and the people of Abruzzi will be better than it is now.

**Mr. Mancini:** Mr. Speaker, I want to join the Minister of Labour and the member for Downsview in welcoming our Italian guests from Abruzzi, the region of Italy where I was born. We certainly hope that they enjoy their visit in Ontario and that we can continue the cordiality that is being expressed by us to the Italian visitors, and I am sure by them to us.

I hope that when they return to Italy, if they happen to meet any of the friends and relatives that I still have in the region of Abruzzi, they can tell them that I am enjoying my stay here in the Ontario Legislature quite a bit and that I intend to stay here for quite a bit longer. I am sure we all hope that we might get a chance to meet these distinguished gentlemen personally later on.

**Mr. Speaker:** Thank you. Two minutes will be added to the question period.

**Mr. Cassidy:** [Remarks in Italian]

Mr. Speaker, I very much hope that they enjoy their stay here. I also hope they can understand the rather strange ways of this Legislature which at times must make them wonder how democracy is practised here.

I say to our friends that the group over there have, unfortunately, been in power for far too long, 38 years. It is very strange. There must be

some compromise. surely, between the frequent changes of government in Italy and the fact that we never have changes here in Ontario. I hope we can work out a compromise.

#### WORKMEN'S COMPENSATION

**Mr. Cassidy:** I have a question for the Minister of Labour, Mr. Speaker, about the promise made a month ago in the speech from the throne that there would be legislation early in this session to implement the government's action with respect to the Weiler report on workmen's compensation and specifically the promise that there would be legislation relating to benefit calculations and levels and the structure and adjudication procedures of the Workmen's Compensation Board.

Can the minister explain why it is that after only a month it appears that that promise by the government has been broken and that no legislation has been brought forward to meet the needs of injured workmen across the province? Can he explain why there has been no indication to members of this party that the legislation will be enacted before we rise for the summer, despite the very grave need of injured workers today?

**Hon. Mr. Elgie:** Mr. Speaker, just so the leader of the third party goes home and rests more comfortably tonight, let there be no doubt this government will be introducing legislation to implement the recommendations of the Weiler report, as clearly outlined in the speech from the throne.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Since the government promised to introduce the legislation early in the session, could the minister say when the legislation will be put forward? Will we see the legislation before the House rises? Will the minister guarantee that this time the government will not try to ram through these very important amendments at the last minute, as it did a few days before the House rose in December 1979? The injured workers of the province and this Legislature deserve to have a look at the legislation now and deserve to be able to give it full consideration and then get it enacted to protect injured workers at the earliest opportunity.

**Hon. Mr. Elgie:** Again let me reiterate there are very active preparations going on. The final review of the matter will be reported to cabinet in the very near future and legislation will be introduced following that in good time.

**Ms. Copps:** Supplementary, Mr. Speaker: Since the minister and Mr. J. J. Robinette have overruled the opinion of the Ombudsman regarding section 42 of the present act, would the minister at least give us the assurance that he is prepared to move an amendment on that section of the act in this session of the Legislature?

**Hon. Mr. Elgie:** No, Mr. Speaker. We are proceeding with the recommendations of the Weiler report as indicated clearly in the speech from the throne.

**Mr. Smith:** That is disgraceful.

**Hon. Mr. Elgie:** You are disgraceful.

**Mr. Speaker:** Order.

**Mr. Renwick:** Supplementary, Mr. Speaker: If the minister will not give the undertaking to include section 42(1) in the proposed amendments, will he at least refer the question to the court for determination as to whose opinion is correct about that section so that we can settle it once and for all?

**Hon. Mr. Elgie:** Mr. Speaker, if the member reviews in great detail the principles outlined in the Weiler report, he will find the concepts outlined in 42(1) either are incorporated or are irrelevant to the concepts proposed by Weiler, whichever the case may be. No, Mr. Speaker, I will not refer the matter any further.

#### FILM FESTIVAL

**Mr. Cassidy:** I have a new question for the Minister of Industry and Tourism, Mr. Speaker. He has two representatives in Cannes to promote the Festival of Festivals, which is to take place in Toronto in the fall, and to promote Ontario as a centre for film making. Since the ministry plans to meet some of the expenses of the Festival of Festivals—the government is contributing \$65,000 to that event—would the minister say what steps he is taking to ensure this important film festival, which also is an important tourist attraction for Ontario, is not jeopardized or forced to be cancelled because of actions of another government agency in Ontario, the Ontario Board of Censors?

**Hon. Mr. Grossman:** I know from my own experience in the Ministry of Consumer and Commercial Relations there has always been a high degree of co-operation between the Festival of Festivals and the censor board. I have no reason to believe that this year they will not be successful in working out the various disagreements they have from time to time.

The festival has thrived in this province over



the past seven or eight years. One of the reasons it has succeeded is because of the good working relationship it has had not only with my ministry but with Consumer and Commercial Relations. There is no reason to expect that will not sort itself out this year as well.

**Mr. Cassidy:** Supplementary: Would the minister then explain why it is that officials of the government in Cannes have expressed publicly their fears that the attitude of the censor board would have the effect of knocking out so many films or making it so unworkable that the festival would have to be cancelled? How can the Minister of Industry and Tourism be supporting a major tourist attraction that could find its future in the balance a few days prior to the opening because of interventions by the film censor board, and what is he going to do about it?

**Hon. Mr. Grossman:** All I can tell the member is that any suggestion that the Festival of Festivals is in danger because of the attitude of the Ontario Board of Censors is pure fabrication.

2:30 p.m.

#### PHYSICIAN AVAILABILITY

**Mr. Van Horne:** Mr. Speaker, a question for the Minister of Health: There is an interesting juxtaposition between the announced settlement of the 14.75 per cent increase in doctors' Ontario health insurance plan fees and the minister's apparent intention to reduce the number of doctors by further limiting medical school enrolment. Surely we are not going to suggest reducing service each time we see an OHIP fee schedule increase.

Can the minister explain why he is suggesting to Ontario's medical schools that they reduce their enrolment by a certain percentage, and what criteria he is using to establish this percentage reduction?

**Hon. Mr. Timbrell:** Mr. Speaker, in the last couple of years there have been several reports dealing with the question of availability of physicians generally. Going back to 1964 when the report of the original royal commission on health care was released, it was proposed that we set as our goal for Canada at one physician for every 850 or 870 of population, I believe it was. At the present time in Ontario we have reached a point where we have one physician for every 560 people.

**Mr. T.P. Reid:** Is that in northern Ontario?

**Hon. Mr. Timbrell:** I will come to that. We have far exceeded even the ideal goal set out by Mr. Justice Hall and his fellow commissioners almost two decades ago. Of course I have to acknowledge that like every other jurisdiction in the western world we have problems of distribution. While we have far exceeded the goal suggested by Mr. Justice Hall, we do have to have in place bursary programs in co-operation with the Minister of Northern Affairs (Mr. Bernier), the underserviced area program for physicians and dentists and a host of other programs designed to even out the distribution.

In the latest review of physician availability carried out by Mr. Justice Hall, he indicated that if current trends continue—including the output of physicians from Canadian medical schools, not just Ontario, as well as the emigration of physicians—it was his calculation that by the year 2000 we would have one physician for every 300 people.

He pointed out in his report that was not a goal we should set, that we probably have about the right number of physicians or ratio of physicians to population, and that we—the 10 provinces and the two territories and the federal government—should set as one of our major programs for action in the next two years, ways to maintain that level but not continue to diminish the ratio. He said this, based on a variety of factors, such as the desired availability and the natural increase in utilization that comes with an expanding growth in physicians, and that has occurred.

I want to assure the member that when we talk about utilization, the question of undergraduate physician enrolment is not the only area we are looking at. As was pointed out in the recent Weiler report, we must address this issue in co-operation with the medical profession.

I can assure the House that this is part of a national problem, one that has been discussed at various times over the last six years by the ministers of health of the provinces and the territories. It was because of this concern that in 1975 we basically put a cap on physicians coming into the country from other countries. We have not been able to close it off entirely, of course, because a number of physicians do come in as sponsored spouses of landed immigrants, for instance. So that has not been closed off entirely.

It is not a new issue and it is not to suggest anybody is trying to put all the blame for increased utilization on the heads of the physicians. If there is a problem, and indeed there is a

problem of our increased utilization, it is one that transcends the whole health care system and involves everybody, users included.

**Mr. Van Horne:** Supplementary: I wasn't trying to suggest to the minister that the whole thrust of this should be to find some rationale for the OHIP rate increase, but I would submit to him that medical science here in Ontario and for that matter in Canada is apparently, and I think very rightfully, one of our greatest commodities, if not one of our greatest export possibilities.

Given that we have the expertise and that we have the demand for our services on an international basis, why would the member try to reduce the number of doctors, which is obviously what he is trying to do? When we compare Ontario with the other provinces, the number of student places is not the highest provincial total in all of Canada. It would seem that everything he is trying to do will limit or reduce the number of medical people here in Ontario.

**Hon. Mr. Timbrell:** Mr. Speaker, we are certainly not thinking in terms of reducing the numbers. As I said, we have already far surpassed the desirable ratio of population to physicians, our goal which was set a number of years ago. So we are not talking about cutting; we are talking about maintaining—for that matter, of finding ways and means of further improving the availability of physicians in remote communities.

I would remind the member of some initiatives we announced in January with respect to telemedicine, travelling teams of specialists, the air ambulance system in the north and that sort of thing. These were to try to improve on the availability of physicians' services, especially speciality services, in our remote communities. But we are certainly not talking about cutting.

When the member talks about export, I hope he is not talking about sending our graduates out of the country. That is a matter that has been of concern to all of us and about which his leader spoke on several occasions two or three years ago when the number of physicians leaving the country was up sharply. I am glad to say the number is down to norms of 20 or 30 a year now.

But there is no question there is potential for Canadian physicians, Canadian hospital administrators, Canadian health professionals in general, to market their expertise in medicine, health planning, administration and so on in the Third World. There is no question about that and I think we should do more of that in the future.

**Mr. Stokes:** Is the minister saying there is not a shortage of doctors in Ontario, simply a maldistribution? If that is the case, why does he not deal with the question of supply and demand? If he has too many practising in southern Ontario, eventually they will gravitate to those areas of the province where there is a shortage.

If he is going to maintain the number of places in medical school in Ontario, why does he not put it on a quota basis to assure sufficient spaces in the medical schools? Enough students would have to be willing to indicate unequivocally they will practise for a period of five to 10 years in the north. He would then have to leave sufficient places to fill the dire need for doctors in the north that exists at the present time.

**Hon. Mr. Timbrell:** Mr. Speaker, I think my colleague the Minister of Colleges and Universities (Miss Stephenson) can probably speak more knowledgeably about the enrolment figures, but it is my understanding the situation has turned around. There has been a variety of factors: the reintroduction a couple of years ago of the bursary program, which last year was increased to \$5,000 for dental and medical students, is one example. Our underserved area program is the model; it is being looked at and copied by many other jurisdictions, not only in this country but around the world. I know the member is aware of this.

I found it interesting in my almost four and one half years in the portfolio that whenever we have been visited by such people as the former Secretary of Health for the United States, Mr. Califano, or the Minister of Health of Australia, Mr. Hunt, each one has described similar problems: there is no shortage of physicians but an improper distribution.

We have constantly to be finding new ways—such as the ones regarding telemedicine and travelling specialists we announced in January, which particularly affect the member's area—to take the services to the people. It is an ongoing problem. There is no simple solution.

I do not think issuing practice numbers or anything like that—saying to doctors they cannot practise in southern Ontario, they have to go north—is the answer. I think we have to find ways to provide incentives in the individual physician's remuneration and practice style in the north, as well as services such as telemedicine, improvement of lab services, improvement of radiological services as we are doing in the five hospitals in the member's riding, and so on. Those are the things we have to look at.



## EMPLOYEE HEALTH AND SAFETY

**Mr. Martel:** Mr. Speaker, I have a question of the Minister of Labour. He will recall on Monday last I asked the Provincial Secretary for Justice whether he agreed with the reported statements of Judge R.E. Bogusky that in his opinion the worker in the final analysis was responsible for the health and safety legislation. He will recall the silly answer we got from that minister.

Does the minister agree with the position taken by his colleague or does he agree with the legislation, which says that in the final analysis the responsibility rests with management for health and safety.

2:40 p.m.

**Hon. Mr. Elgie:** Mr. Speaker, to the best of my recollection the member for Sudbury East was asking a question about some reported remarks by a Judge who was determining the appropriate sentence with regard to some charges that had been laid under the Occupational Health and Safety Act. I might say he does not expect me to comment on the appropriateness of Judicial comment; the Attorney General (Mr. McMurtry) can review those matters if he wishes to.

But I think he is quite right in saying the Occupational Health and Safety Act clearly delineates areas of responsibility imposed upon workers, supervisors and management. The implication is clearly there that management has an obligation to exercise all reasonable precautions to make sure the work place is safe.

**Mr. Martel:** I really should not ask the next question but I will anyway. Based on the minister's response, does he not find it strange there were four violations and the fine was \$250 for each of four violations? At the same hearing one of our native people was found guilty of kicking down a door causing \$40 worth of damage; he was fined \$400. Does it not seem strange that for violations of the Occupational Health and Safety Act the fines are \$250 and for the kicking down of a door they are \$400?

**Hon. Mr. Elgie:** I cannot get into commenting on the appropriateness of the decisions that one Judge—

**Mr. Laughren:** Why not?

**Hon. Mr. Elgie:** Because—or another may make in handing out sentences in a variety of situations. All I can say is to reiterate what I have said before, that there are obligations imposed upon all parties in the work place and

there are penalties available to the Judiciary when responding to charges laid under those acts.

## ASTRA/RE-MOR

**Mr. Bradley:** Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. It has been two weeks since members of the official opposition confronted the minister with allegations from a publication known as Bimonthly Reports, which charged the Ontario Securities Commission with consistent failures in the handling of the Astra/Re-Mor affair. Could the minister inform the House why the OSC has still not provided those answers through the minister and could he indicate to the House when we might expect those answers?

**Hon. Mr. Walker:** Mr. Speaker, I know there is some concern on the part of the Ontario Securities Commission that if it does respond directly to some of the allegations posed, it prejudices some of the matters that are before the criminal courts and it is certainly very loath to do that. I expect it will probably be responding before long in respect to the matters the member raised.

**Mr. Bradley:** I encourage the Minister of Consumer and Commercial Relations to encourage, in turn, the Ontario Securities Commission to quit hiding behind the same excuse the Attorney General of this province (Mr. McMurtry) hid behind for so many weeks previous to this matter coming before the committee.

Last week when the minister responded to the same question he said the Ontario Securities Commission told him that “the publication contained a blend of half truths, part truths, total truths and inaccuracies.” Could the minister please indicate which charges were half truths, part truths, total truths and so on, and, if he cannot, would he inform the House on what basis he reached the conclusion they were indeed half truths, whole truths or whatever they were?

**Hon. Mr. Walker:** I think it was the first few and the last few and the ones in between that fell into that category.

**Mr. Swart:** Supplementary, Mr. Speaker: Is the minister not aware all these arguments about sub judice were put forward by the members of his party and by the government last fall in opposition to the committee's dealing with this issue, and that not once during those four weeks of hearings was there any question,

even by members of that committee, that there was any jeopardy with regard to the hearings that were before the courts? Would he not now think we and the public would think he is just using this as an excuse for not providing the information?

**Hon. Mr. Walker:** Mr. Speaker, I do not think there is any reason for the member to be saying that.

#### PLANT SHUTDOWNS

**Mr. Cooke:** Mr. Speaker, I have a question for the Minister of Industry and Tourism. I would like to ask the minister whether he is aware of an announced plant closure in the city of Windsor of FCM Division, a division of Gulf and Western (Canada) Limited, which produces bumpers and other auto parts. Is the minister aware that will eliminate 58 jobs?

Is the minister further aware that there was no explanation given to the workers for the closure, and that General Motors had renewed a contract for provision of bumpers for its Chevy Chevette and CK truck van? Still there was no explanation offered, no severance pay offered to the workers—just simply a letter handed to them last Friday at 10 o'clock in the morning indicating that as of July 10 they had no jobs.

**Hon. Mr. Grossman:** No, I am not aware of those events, Mr. Speaker. Those are ordinarily reported to the Ministry of Labour in accordance with the rules and legislation set down by the Ministry of Labour.

**Mr. Cooke:** Supplementary, Mr. Speaker: Perhaps the minister is not concerned about the workers, but perhaps he will be interested in the industry. Is the minister aware that General Motors' cancellation of one of its other contracts with the company this fall, Chrysler Corporation's cancellation of its contract for hub caps with that company, and the shifting of both firms to sources in the United States is a further example of the Big Three auto makers shifting their sourcing of auto parts to the US, which is one of the main reasons we have a \$3-billion deficit in the auto pact? Does the minister care about that if he does not care about the workers?

**Hon. Mr. Grossman:** Mr. Speaker, I know that as long as the honourable member is in the House he is going to try to suggest that we do not care about the auto workers. In point of fact—

Interjections.

**Hon. Mr. Grossman:** Well, no, I do not have a letter.

Interjections.

**Hon. Mr. Grossman:** I do not have to bring it. All his letters to me are public letters.

I do want to say to the honourable member that we can stand here and talk about who cares about the auto workers, but I also have to tell him that I have invited the honourable member to point out any other jurisdiction that has done more for the auto industry than this government and this jurisdiction have, and he has been unable to do that because there just is not a jurisdiction that has done as much as we have.

I grant that it becomes uncomfortable for the honourable member when things such as the Ford V-6 engine plant open because of us. But I thought that perhaps since the honourable member does not accept anything we say as proof that some of the allegations he makes are untrue, I might quote for him someone whom I am sure he will respect and accept as gospel. I have with me today, as luck would have it, the words of Kenneth Eck. Does the member opposite know who that is?

Interjections.

**Hon. Mr. Grossman:** The honourable members want to hear it first before they decide whether they know him or not. They probably do not. Kenneth Eck, who is the assistant director of the independent parts suppliers department of the United Auto Workers, said: "US multinational auto parts companies are not withdrawing capacity from their Canadian plants in order to keep their US plants operating." He says the plant layoff and closure situation is as bad or worse in the US.

If the honourable member does not accept my word for it perhaps he will call Mr. Eck and ask him why he is lying through his teeth and denying everything the honourable member says is gospel. There you have it; there is the Bible; there is the authority. The honourable member should call him and check it.

2:50 p.m.

**Mr. Mancini:** Final supplementary: Mr. Speaker, I would like to ask the minister whether he would now be prepared to make representation to the cabinet to have the plant shutdowns committee reconstituted, in view of the fact that these closures are continuing at an unabated pace, so that this committee can finish the work it was at first appointed to do, so that we can make a proper proposal to the Legislature so that this Legislature can take action.

**Hon. Mr. Grossman:** We should have a select committee on plant openings. Was the honourable member not pleased when this government stepped into a situation in his riding—albeit it was a multinational firm—when he complained



to us about the treatment that Freedland was getting? We stepped in when he asked us to; we looked at it and we were able to provide them with financing that added jobs once again to a firm that, for a variety of reasons, had lost some orders. We got jobs back into his riding.

Notwithstanding the wailing we got from across the floor when the Ford casting plant closed last year—which the member said was closed forever and I was a fool living in a fool's paradise if I believed it would ever open—was he not pleased that it reopened? Is he not pleased that we were right on this side of the House when we said, "It's an adjustment in market. It will likely reopen another time." Why does he not offer to go back in front of the plant shutdowns committee—if it ever needed to be restruck, which it does not at the present time—and say, "Some of the things they say on the other side are right. Sometimes, would you believe it, these are market decisions"?

**Hon. Mr. Norton:** Do they not rejoice?

**Hon. Mr. Grossman:** Did the member rejoice when Freedland reopened? Did he rejoice when the foundry plant reopened? Did he rejoice when the Ford V-6 engine plant opened a couple of weeks ago? That is what is happening in this province, not plant closures as the member suggests.

**Mr. Wrye:** Mr. Speaker, I might add that we on this side will rejoice when the Minister of Industry and Tourism starts to look into some of these matters instead of making glib statements.

#### AIR QUALITY STANDARDS

**Mr. Wrye:** Mr. Speaker, I have a question for the Minister of the Environment. The minister is obviously aware of a resolution adopted by the council of the city of Windsor earlier this month which urged it to communicate with the US Environmental Protection Agency, the International Joint Commission and the Michigan Department of Natural Resources regarding the city's concerns over potential air quality deterioration resulting from any relaxation of state implementation plans in Michigan, potential relaxation of amendments to the US Clean Air Act and budget cuts to the EPA.

Will the minister advise this House whether he has communicated these concerns to these agencies, and further will the minister inform us whether anyone from his ministry will be making any presentations in the proceedings on the reauthorization of the US Clean Air Act to voice Ontario's concerns about the impact of

potential relaxation of air standards in the act, relaxations that may impinge on the province in general and border cities such as Windsor in particular?

**Hon. Mr. Norton:** Mr. Speaker, I think the honourable member ought to be aware of the fact that my ministry has taken very decisive action with the Environmental Protection Agency in the United States, in the form of interventions before the EPA in hearings that are coming up as a result of requests from certain states and corporate entities in the United States seeking relaxation of existing controls in those states. I suppose we have taken precedent-setting action—to the best of my knowledge it is precedent-setting—as a foreign jurisdiction initiating an intervention before that agency.

In addition to that, as a result of the proceedings initiated before the court of appeal in the District of Columbia by some of the power corporations attempting to have the actions of the previous director of the EPA found invalid, in so far as they have proclaimed a section of the act which would have given us jurisdiction or at least given us the authority to intervene and require the agency to recognize the potential impact upon our environment of any requests or any applications before it, we then became involved in that action before the court of appeal in the District of Columbia.

I am pleased to say that last week we were advised by the law firm representing us in Washington that the agency and the other parties to that action had agreed to withdraw their action before the court. To the best of my knowledge, action has now been taken to do that, so that action will now be terminated.

I can also assure the honourable member that in addition to the actions we have already taken we are watching the developments in the United States very closely. At every opportunity, we will continue to bring to the attention of American agencies and the American government the seriousness of any actions on their part that may have the effect of jeopardizing further the environment in this province as a result of transboundary pollution.

**Mr. Wrye:** I remind the minister of a 1977 report from the University of Waterloo which identified high instances of respiratory ailments and disorders in children from the west side of Windsor. Based on these findings and the continuation of this problem, will the minister assure this House that he will make every effort to ensure that air emissions, particularly from

Wayne county, Michigan, will not increase and will not deteriorate the air quality in the city of Windsor and the health of its citizens?

**Hon. Mr. Norton:** I must confess at this point that I am not familiar with the specific report to which the honourable member has referred, nor am I in a position, regardless of what action we might take, to give him a guarantee that sources of pollution in the United States will not increase. I can assure the member that we will take every possible action open to us to prevent an increase in pollutants from the United States.

**Mr. Foulds:** Supplementary, Mr. Speaker: Can the minister be specific about whether he himself or anyone in his ministry will be appearing at the series of hearings that are being held not only in Michigan but also in Minnesota and other states with regard to relaxing the EPA standards?

**Hon. Mr. Norton:** Mr. Speaker, if the member is referring to hearings before the EPA—and he might indicate just by nodding his head if that is so—we will be represented before those hearings. I will have to check whether the hearings in Minnesota are part of that. They may well be. If not, I will advise the member.

A whole series of states have applied for permission to relax the standards. We have initiated not only interventions that stipulate particular sources by name and location of the corporation but also a general blanket intervention against any action on their part that would have the effect of relaxing standards. I think the blanket coverage in the wording of the intervention would probably apply to all, whether they are specifically named or not.

#### PITS AND QUARRIES CONTROLS

**Hon. Mr. Ramsay:** Mr. Speaker, two questions were put to me by the member for Welland-Thorold (Mr. Swart) in respect of pits and quarries controls.

The first question was whether the Minister of Natural Resources (Mr. Pope) was planning to reintroduce Bill 127. At that time I responded it was my understanding that the minister was reviewing Bill 127. I have since learned that he hopes to reintroduce Bill 127 this fall.

The second part of the question asked whether the government would respect a recommendation of the standing committee on resources development last fall. In that regard, I will answer that the matter is under consideration by the Minister of Natural Resources at this time. If the matter is to proceed, the policy proposal, as

are all policy proposals, will be submitted by the Ministry of Natural Resources for review and approval by the cabinet committee on resources development and by the cabinet.

I have also been assured that the concerns the honourable member expressed at the standing committee on resources development will be considered by the minister during the deliberations by him and his staff and then further examined by my cabinet colleagues if submitted to the cabinet committee on resources development.

In the interim, I will be pleased to meet with the member at a mutually convenient time to further receive his views and advice.

**3 p.m.**

**Mr. Swart:** Supplementary, Mr. Speaker: Will the provincial secretary give an assurance that when the bill comes back it will include the changes, which were substantial, that had been accepted by the former Minister of Natural Resources, and if it goes to committee that the right will be given to interested parties to take part in the debate on clause-by-clause consideration, as was promised during the last session?

**Hon. Mr. Ramsay:** No, Mr. Speaker, I cannot give those assurances at this time.

#### UREA-FORMALDEHYDE FOAM INSULATION

**Mr. Swart:** Mr. Speaker, I have a question of the Minister of Health.

Will the minister immediately look into the case of Kirk Wendland, five-and-a-half-year-old son of Klaus Wendland, of 25 Surrey Avenue in Scarborough? Mr. Wendland had his home insulated with urea-formaldehyde foam last October.

Will the minister confirm that prior to that time Kirk was a healthy boy, that he very soon after developed respiratory problems, haemorrhaging through the nose practically all winter, serious skin rashes, that he was under the constant care of a doctor, who now suspects formaldehyde gas, and that he moved out for three or four weeks—although he is back home now—and his condition improved while he was out?

In addition to looking into that aspect of the case, will the minister also find out why the tests requested from the federal, provincial and municipal levels more than three weeks ago have never been taken?

**Hon. Mr. Timbrell:** Mr. Speaker, obviously I am not familiar with the condition of every



citizen of the province. I can only take the member's statements as his conclusions or as those of the parents, and I will not challenge them.

As regards the question of the tests, as I have told members several times here in the chamber, we simply do not have the resources, either in the ministry or in the 43 local health units, to do every house overnight, as the member, with respect, has suggested.

We do have some resources and the health units, which are the primary contact for the public, are doing what they can. I remind the member that I indicated to the federal minister that we were quite prepared to devote all the resources available from my ministry, or for that matter any other ministry of the provincial government as well as local health units, to assist her in carrying out her responsibilities as recommended by the expert medical advisory committee.

Since last we discussed this, and I have not had this confirmed by Miss Bégin yet, I have had it suggested to me by other federal members that they have begun the survey about which we have spoken previously. I have not had an indication, though, from the federal minister, who apparently was out of the country until last Tuesday or Wednesday—she had been in Geneva at a World Health Organization conference—as to what she intends to do with respect to the other recommendation we have discussed, namely, a program of retrofit in those cases where, as the committee found, probably as a result of improper installation, a problem has arisen. I will keep after the minister on that until we get a satisfactory answer out of the federal government.

**Mr. Swart:** Does the minister not realize that the sampling being done by the Minister of National Health and Welfare, which involves only 400 homes out of perhaps 100,000 in this nation and which will take two or three months, is totally unsatisfactory to those people who are now suffering the effects of the formaldehyde gas?

Does the minister not realize that he has prime responsibility for the health of the people in these homes, and will he get the resources so he can test these homes and give the appropriate directions to the people who have this foam insulation in their houses?

**Hon. Mr. Timbrell:** I do not know whether the honourable member has read the report of the expert advisory committee. I think it is appropriate to remind him of excerpts on pages

four and six that point out the undetermined level of risk with this substance. They said: "The committee is unable to identify formaldehyde as posing a significant acute threat to life, as concentrations to which people are ordinarily exposed are small and the effect treatable." It goes on and on from there.

The fact of the matter is, if the member is right and there are 100,000 homes, that there is no way we could test them all overnight or in the space of a very short period of time. If they have begun the survey, and I have been led to believe they have, then 400 to 500 is a fairly representative sample, based on which they would be able to determine the extent of any possible hazards and then, I hope, to determine a retrofit program. I think that is a responsible approach to the problem.

The committee points out, and its report is on the floor there, that there is not a threat to life and limb from this.

**Mr. Nixon:** Final supplementary, Mr. Speaker: Did the minister indicate in his earlier answer that some of the medical officers of health did have some facilities? If so, in what areas can these tests be done, and which medical officers of health do have the facilities? I am sure it is a widespread problem and all of us have constituents who are deeply concerned, and we want to know where the tests can be carried out.

**Hon. Mr. Timbrell:** Mr. Speaker, on February 20 or 23, we wrote to the medical officers of health, bringing them up to date on what was then a temporary ban on the use of this product, giving them some of the technical background, and pointing out to them that if they needed technical assistance it was available from the government, more particularly from the Ministry of Labour. At this point, that resource is available.

My understanding is that a number of the MOHs have been making use of the Enersave advisory service, which is an arm of the federal administration, to advise them.

Those two sources are available to them if they do not have the staff and/or the equipment, which is likely in some of the smaller, more rural units, perhaps including the member's own.

## SECONDARY SCHOOLS

**Mr. Sweeney:** I have a question to the Minister of Education, Mr. Speaker, concerning the comparative funding between grade nine and 10 students under boards of education and under separate school boards.

Given that the present discrepancy is approximately \$415 per student, and given that the secondary education review report had recommended that this discrepancy should be eliminated, can the minister give us any indication as to whether her estimates, coming up shortly, will include some provision for this elimination?

**Hon. Miss Stephenson:** Mr. Speaker, I am sure the honourable member is aware of the fact that the level of funding for grade nine and 10 students was established at precisely the same level, equally, for grade nine and 10 students in a continuation program at a public school and at a separate school, wherever they were established. The discrepancy suggested by the honourable member relates specifically to the level of funding for a program that is less complex and less costly at the grade nine and 10 level than it is at the grade 11, 12 and 13 level.

I remind the honourable member that the suggested recommendation contained in the initial secondary education review project document is a preliminary recommendation. I feel there will be discussions about that throughout the entire province as a result of the issuance of the SERP document. The final recommendation will be made in September; therefore, it will not be possible to include that in the allocations made on the basis of our assessments for this year.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Before the orders of the day, I wish to table the answers to questions 74, 77 to 78, and the interim answers to questions 65 and 92, standing on the Notice Paper. [See Hansard for Friday, May 22.]

#### ORDERS OF THE DAY

##### HUMAN RIGHTS CODE (continued)

Resuming the adjourned debate on the motion for second reading of Bill 7, An Act to revise and extend protection of Human Rights in Ontario.

**Mr. R.F. Johnston:** Mr. Speaker, on Friday I was stopped in mid flight. I was soaring with an eloquence that had left two or three members awake in the chamber. It was a most impressive performance. I find it impossible merely to take off from where I finished on Friday.

**Mr. Nixon:** Start at the beginning again.

3:10 p.m.

**Mr. R. F. Johnston:** I thought I would do that; I thought I would start again.

The major reason I find it difficult is that the topic I was discussing was one of some sensitivity, not that one would know that from the reports of certain columnists on the weekend. Also, today I am able to speak about areas of the bill on which the New Democratic Party will be moving amendments. I will be able to speak more in hard terms than I did on Friday in terms of where we stand.

On Friday, when I was speaking to the matter, I was talking about the importance of the legislation, about how we welcome it and about how, although we will support the bill on second reading, it is important to have a bill that reflects the changing mores of our society and that has some powers to move.

A few of the things I have discussed that will now go as amendments are as follows. Because of the importance of the bill we feel the minister responsible should be the Premier himself and he should be so named in the bill. It should not be any minister named by the Lieutenant Governor.

We feel it is vital that the International Covenant on Civil and Political Rights or the International Covenant on Economic, Social and Cultural Rights of 1976 of the United Nations should be included in the preamble, because it has ramifications for Ontario at this point. It already extends to all within Confederation, and it is a different and more progressive bill than that of 1948, which was the initial Universal Declaration of Human Rights.

I also think we will be proposing a motion to reintroduce a part of the old bill that has been stricken from this new bill. It is section 1(1) of the old bill. Section 1(1) spoke about a prohibition on advertising by the use of notices, emblems, postings on bulletin boards, et cetera, which may have racial or other discriminatory connotations. For some reason, that has been slipped out of this bill, and we think it is important it be reinstated.

I also wish to talk a bit about extending the power of the definition of discrimination in this bill. At the moment all we have are specific listings of the groups that may not be discriminated against. One of the reasons that the whole sexual orientation question has come up is that from time to time there are changes in terms of our mores and groups which we will identify in our society.

This time to the initial group we have added family, handicapped and marital status in terms of conjugal living. What we will be proposing is an amendment that will open up and give more



power to the commission to broaden its definition of what is a discrimination. Therefore, we will want to add that other bona fide and reasonable grounds be added to that list so that in the commission's day-to-day work, as it comes across new grounds and new unfair practices, it will be in a position to state that such and such an act is discriminatory. This will make a major change in the bill as it is now and a major change in the commission, giving it much more power and status than it has had in the past.

The inclusion of the disabled in this new, revised human rights code is extremely important for Ontario. As I said on Friday, we welcome its inclusion. We think the broad definitions of who is disabled are adequate. We are pleased with a number of the provisions.

I raised a couple of concerns about section 38, which is the power to order changes given to the commission. I am a little concerned it may not have enough strength. I think we will be proposing an amendment about reasonable access.

**The Deputy Speaker:** Excuse me for a moment. Can I just bring to the members' attention that there seems to be an undue din of conversations going on. If we can keep the conversations a little quieter, perhaps to the back lobby, the member for Scarborough West can continue.

**Mr. R. F. Johnston:** Mr. Speaker, on Friday I had a much quieter audience. Perhaps those who are not interested will please adjourn outside.

**Mr. Nixon:** It is much better when there is no one here at all.

**Mr. R. F. Johnston:** That is when my friend gets most of his attention. I have noticed that.

There is another very important element of the bill which at this point is missing and which, in our view, needs beefing up. Those are the affirmative action powers of the board in all areas—sexual discrimination or otherwise. At the moment—even in the Symons report, the power given to the board in terms of affirmative action was limited to recommendations—the board can recommend to the minister or to an employer that action be taken.

Our view is that needs to be changed so that it not only recommends but also has the right to order those changes. Then, if all the workers on the night shift in a certain plant are of one racial extraction and all the people on the day shift—the easier shift—are white Anglo-Saxon, traditionally accepted individuals in Ontario society,

there would be the power not just to recommend but also to ensure there are changes in that plant. The power to monitor those changes and the placing of those changes in that plant should be given to this commission. We do not want it just to be a body sitting out there making recommendations that may or may not be heeded by the companies involved, by this Legislature or by this government.

On Friday I spoke at great length on sexuality and ended my remarks on our difficulties in coming to grips with the need for a number of changes in the code. I pointed out that there has been recognition in a couple of areas. One is the whole area of recognizing that there can be legitimate relationships between heterosexual couples and you do not have to be married, in the strict sense of the term. That is now included in the act as a positive thing.

I made the argument on Friday that it is not just a matter of marital status; it is a matter of a new view of sexuality and sexual expression. In the 1940s and 1950s that kind of thing could not have found its way into the code. It would not have been an acceptable practice. In our society today it is something we would not discriminate against.

**Mr. Stokes:** I hate to interrupt my colleague, but it seems to me there should be a minister in the House to pilot this through. Can you explain where he is, Mr. Deputy Speaker?

**The Deputy Speaker:** Thank you, Mr. Stokes. As soon as the Minister of Agriculture and Food (Mr. Henderson) finds the minister responsible for this bill we will have the explanation.

**Mr. Stokes:** Would it be appropriate to have a brief recess until we find the minister?

**The Deputy Speaker:** I am confident he will be here in a moment. I am sure he is listening close by. I think, without interrupting Mr. Johnston's very worthwhile and energetic train of thought, if he will continue I am confident the minister will appear in a very short time.

**Mr. Brandt:** On a point of order, Mr. Speaker: The minister said he was going to be detained for a few minutes and would be back in the House shortly.

**Mr. Martel:** Speaking to the point of order, Mr. Speaker: I find it a bit strange that we are attempting to debate a bill when the minister responsible for carrying that bill is not in attendance. It seems to me we might recess for

five minutes until the minister has finished and then continue. What is the sense of carrying on with this charade?

**The Deputy Speaker:** Thank you, Mr. Martel.

**Mr. Stokes:** It ranges from indifference to disdain.

**The Deputy Speaker:** Yes, Mr. Stokes, I am sure it does, in your estimation. But, referring to Standing Orders, I do not think there is any specific procedure that indicates the House has to recess because the appropriate minister is not in the House at the moment.

**Mr. Martel:** Mr. Speaker, what are we supposed to do if this sort of charade continues? Are we supposed to proceed with debating bills without appropriate ministers, or at least parliamentary assistants, in their places? I understand no parliamentary assistants have been appointed yet and they are all panting and waiting for appointment, but none the less why should we proceed with the bill without a minister here to know what my colleague or any other member might say? I think we should adjourn the debate, and I move the adjournment of the debate.

**3:20 p.m.**

**Hon. Mr. Wells:** Mr. Speaker, I am sure that the minister has just stepped out for a minute; it is not uncommon for that to occur. I agree with the honourable member that a debate should not continue here without the minister who is sponsoring the bill or his parliamentary assistant if the minister is not handling the bill.

I am sure that within a minute or two the minister will be returning here. I see nothing out of order in this procedure. Certainly if it were to last for a protracted length of time, then I think the member would have a point.

The people on that side have never had the discipline of having to sit through a debate without leaving. A minister generally sits here through the whole debate and through the whole estimates.

**Mr. Stokes:** That's what he gets paid for.

**Hon. Mr. Wells:** That is what the member gets paid for too, but he does not stay.

**Mr. Stokes:** I am here.

**The Deputy Speaker:** Mr. Wells has the floor.

**Hon. Mr. Wells:** The members do not sit in this House through a debate. A minister sits in this House through a debate while every speaker

speaks. The members on that side come in, make their speech and then leave when they wish and come back when they wish.

**Ms. Copps:** I am here. I made my speech on Friday and I am here.

**The Deputy Speaker:** Order please, Ms. Copps.

**Hon. Mr. Wells:** They do the same thing at committees. If the minister has had to step out for a few minutes, surely they will grant him that little privilege.

I realize the members opposite have to make a little thing about it while he has stepped out. But I just draw to their attention that the ministers do sit through hours and hours and days and days while those people make their speeches and come and go. For a few minutes that he steps out, surely they will grant him that. It is all recorded in Hansard. I can assure them everything that is said will be adequately paid attention to.

**Mr. R.F. Johnston:** Still on the point of order, Mr. Speaker: I appreciate the intervention of my members, but I feel a little shocked that the minister has not been here at all, and not that he has stepped out for two or three minutes. He has not been here since the end of question period. I have been talking about introducing some very important changes to this bill, and he should be here to hear them. I do not intend to speak again until he enters the chamber.

**The Deputy Speaker:** Is there any further discussion on the bill?

**Mr. Foulds:** On a point of order, Mr. Speaker: A motion to adjourn has been placed.

**The Deputy Speaker:** Mr. Johnston had the floor at the time, and not Mr. Martel. It was Mr. Martel who moved the adjournment of the debate, and he did not have the floor.

**Mr. Foulds:** Mr. Speaker, if I might speak to the point of order, one of the things this chamber is about, especially on a bill as important as this one, surely is the exchange of ideas. That exchange of ideas takes place in a debate. That is what the second reading is, the debate in principle. If the principal person who is responsible for carrying the bill cannot be present, surely we should schedule some other House business.

**The Deputy Speaker:** Mr. R. F. Johnston moves the adjournment of the debate.

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

Motion negatived.

**Hon. Mr. Elgie:** What's the problem?

**The Deputy Speaker:** Well, just in time the minister has arrived.



**Mr. R.F. Johnston:** Mr. Speaker, I am pleased to see the minister here. I am not going to repeat a number of my comments. I see he is being handed a brief summary of the things I have said up to date. I hope it is accurate; if not, he can read Hansard afterwards.

I was just moving to the item of sexuality and sexual orientation. I was beginning to think that if he did not come in I was not going to get around to finishing my remarks today as I did not get to them on Friday.

I was speaking about the importance of recognizing changes in our society. On Friday, I spoke to the fact that, whether or not we approved of a particular lifestyle sexually, the identification by group in the last 20 years of individuals by one's sexuality, by that expression, has been a fact of life and is something that we recognize. Certainly discrimination on those terms has been taking place in our society. No one will deny that. We have seen a number of cases that have been pleaded before the courts and other bodies, mostly without success because of a lack of provision for protection in that area.

We will be proposing an amendment as a caucus that sexual orientation as defined by the Symons report should be included as one of the sections of this bill. We will do so not feeling that somehow we are at the forefront of society and leading the change in attitude on this particular matter.

When I was speaking on Friday, I was just about to come to the particular point that, although the matter is quite controversial and the emotions around it are very strong, and when involved with religious belief and followers in terms of dealing with sexuality in general it is understandable that there is a sensitivity in our society, we as legislators at this point are not so much ahead of the rest of society in looking at this as a realistic inclusion in a bill in 1981.

In 1977, I remind you, the report from Mr. Symons came down and spoke very clearly on this matter. He was one of the first to speak to this matter in a clear, distinct way, although the discussion and the argument had been going on for some time before.

The federal human rights report in 1979 recommended the inclusion of an amendment of this sort in the federal legislation. It now exists. That means people who work in federal institutions, in Air Canada et cetera, have that protection in legislation at present. People in Ontario who work in federal institutions, therefore, have that kind of protection or can argue their case in terms of discrimination by sexual orientation at this time.

The commission in Quebec also recognizes sexual orientation. We will not be the first to be recognizing this if the amendment is accepted by the minister. The Canadian Labour Congress has been on record for a number of years. The Ontario Federation of Labour has a very clear and specific resolution that was passed by its latest council. The union labour councils in Metropolitan Toronto, Oshawa and other areas have passed this kind of motion. It is now on the books, and a number of union locals are now actually including this in their bargaining. I think a number of faculty unions in the province also have done so; CUPE unions at city hall and others are now including it in contract bargaining.

We are not way ahead of what is going on in society. We are bringing into law something that is already finding a real connection with the world outside. Groups like the Canadian Civil Liberties Association and others have been calling for the inclusion for some time. This is a historic moment. This is not just a small and minor amendment to a bill. This is a major revision of the Ontario Human Rights Code.

At this point in history it would be a major mistake for us not to recognize something that is a fact in our society. It does not mean that members opposite or members on this side are particularly endorsing or wanting people to follow a homosexual lifestyle by so doing. Please let us be very clear about that. What one is doing is recognizing the fact that in terms of sexuality there are no grounds for an employer, a landlord or a government service to discriminate against you. Those are not legitimate grounds, and surely we would agree to that in terms of our own sexuality. So we will be proposing that amendment.

**The Deputy Speaker:** Mr. Johnston, just while you are hesitating, there appears to be some feedback on one of the microphones. I do not know if you recognize it.

**Mr. R. F. Johnston:** It is from the TV cameras behind me.

**The Deputy Speaker:** As long as it is not disturbing, we will continue with your contribution to the debate. Is that fine with you?

**Mr. R. F. Johnston:** I have been troubled by hearing voices for years now—

**Mr. Nixon:** Like St. Joan.

**Mr. R. F. Johnston:** Exactly, and other great figures.

3:30 p.m.

I want to raise the matter of age discrimination. In the old code we had a provision that one could not discriminate in terms of age against people 40 to 65 years old. The proposed change in the bill is to move that to 18 to 65, reflecting the age of majority and the age of retirement.

The Liberal speaker said she and her caucus would be opposed to the question of discrimination by age for people over the age of 65. The NDP position will be slightly different from that, and I would like to talk a bit about that today.

We will be proposing an amendment that will basically preclude discrimination against people over the age of 65 in all terms, except the one section that covers employment. Therefore, we will be saying clearly the bill does not protect older people from all the other kinds of harassment that other people are protected from, because it cuts off arbitrarily at 65.

We do not accept the notion that mandatory retirement today should be dispensed with in terms of human rights legislation when the economic underpinnings for an end to mandatory retirement are not in place.

Flexible retirement is a goal that most of us will want to see in our society. To somebody who has worked many years with retired people, it is something to which I think we should all aspire. I would see us moving in the next few years to something in the neighbourhood of a flexible pensionable age at the age of 60, and moving upward from that age.

It is no time, however, to move what will be a right to say to somebody at this point that he may continue to be employed up to the age of 65 and that his protection for pension rights would be therewith taken away, as would be the case with the human rights commission if we were to just change the age of mandatory retirement at this stage.

It is absolutely vital, before we do that, that we bring in a flexible pension scheme that protects workers so that people on the line who will want to get out at age 60, who will not want to continue that job at age 65 or 70 to accrue enough pension benefits, can get out and can have adequate income afterwards.

Those middle-class and professional people—a small percentage by all studies—who choose to work afterwards will be able to do so, while the average individual who wishes to retire will have the ability to do so on an adequate pension. That is why the movement to the removal of a mandatory retirement concept in this bill of rights is not appropriate at this time.

The inclusion of family as one of the grounds

upon which one cannot discriminate is something we welcome, and it is a positive thing. But we are concerned about the section that applies to adult-only buildings. It has been a major battle in the city of Toronto for some time that some people should not be discriminated against in terms of the fact that they have children.

One of the dangers in a place like Toronto is that one sets up what the Minister of Housing (Mr. Bennett) wants, which is a ghetto for the rich in the city of Toronto and send the poor to Peel. Not only can that kind of thing happen, but we can also have a ghettoized situation in the city of Toronto which has just single people and married people with no children living in the central core and takes away what is essentially part of the fabric of the community. We will be discussing this in committee and trying to propose amendments that will deal with the matter of adult-only buildings so that will not be a right in the act.

I am also very pleased to see the inclusion in this bill of public assistance recipients as people who cannot be discriminated against. We have seen too many cases of family benefits mothers and welfare families who have been denied access to housing throughout this province because they happen to be on public assistance. The inclusion of that amendment to the act will make their lot an awful lot better.

I want to raise a question about the appeal mechanism, because I think it is very important that it be seen to be a fair and just process. We are concerned that there is no statement within the bill about the appeal process which states that somebody who has been involved in the initial inquiry cannot be involved in the appeal. It seems to me that is a basic inclusion that should be involved. If we look at another section of the bill there is that kind of provision, but not in the appeal process. We will be proposing a motion to ensure that somebody who has heard the case initially is not then just rehearing the case again, but that it goes to new board members to be heard.

I am a little concerned as well about the notion of class actions. I do not pretend to understand the law that well on that matter, but it seems to me that in the act at the moment the only people who have the right to decide whether an action will be taken as a group or individually are the commission. They have the right to determine whether individual cases will be lumped together, and it seems to me we should perhaps be talking in terms of consumer



rights for individuals to come together to say that they wish to be represented in a class action and not just on an individual contract basis.

The principle of compensation being open-ended is one that should be included in this bill. At the moment, there is a generous rise in the amount of compensation for people who are victimized by discrimination; it is raised to \$15,000 maximum at this point. In much legislation, when there is a kind of compensatory factor, there is an open-endedness at the upper end and the right of the commission to determine what the upper end should be. I suggest that would be a good thing to include in this bill, again giving more power to the commission; there would be less need to bring it back for legislative housekeeping, and it would enable them to make determinations on the changing needs in the society at the time.

I want to raise a question in terms of the need, within this bill, for the Attorney General (Mr. McMurtry) to be the controlling factor over whether there is any legal action taken. I am not sure that is a necessary thing to do. I forget the section offhand, but near the end of the bill there is a section that says the Lieutenant Governor—what section is it? Anyway, take my word for it, will you, Mr. Speaker?

**The Deputy Speaker:** I will.

**Mr. R. F. Johnston:** I cannot find it here in the gobbledegook. Has the minister found it?

**Hon. Mr. Norton:** The member wouldn't take our word for the fact that the minister was on his way back.

**Mr. R. F. Johnston:** I took the minister's word for the fact that he might be on his way back from God knows where, but he definitely was not here and I could see that as well.

The Attorney General, for some reason or other, is the one who is given the control over whether legal action is taken pursuant to a ruling by the board. It seems to me that is an unnecessary factor.

The question was raised today in the House about Lieutenant Governor's warrants and the ability for people to be put away in secure situations in mental institutions and in some cases to be put away for quite some length of time. I think the appropriate group to oversee the Lieutenant Governor's warrants would be the Ontario Human Rights Commission. In committee we will be suggesting exactly that kind of role for the commission in the future.

I am a little concerned as well about the exclusion in the new bill of insurance and other

kinds of contracts that may be developed, which allows for the possibility, for instance, in car insurance et cetera for special discrimination in favour of women on actuarially based decisions. We will be recommending that section be deleted and that the principle of equality in all those contracts be accepted in the bill.

I think I have covered all the points I wanted to raise at this time. There are about 14 or so major points that we will be raising in terms of the bill; there may be one or two more. The matter of whether political involvement should be grounds for discrimination is something we will want to debate further in caucus before it goes to committee.

Generally speaking, although we are very pleased with this bill and feel it is a great improvement on what has come before, we take very seriously the package of recommendations that we have brought forward. Our view on third reading of this bill will be determined by the government's reaction in committee to the series of amendments I have suggested today that we will be introducing.

**The Deputy Speaker:** Is there any further discussion on this bill? Mr. Nixon.

**Mr. Nixon:** Thank you, Mr. Speaker. I believe there will be a—

**The Deputy Speaker:** I am sorry. I guess we might have missed a rotation; and if we are following the rotation, Ms. Fish is next.

**Mr. Nixon:** I certainly do not want to interfere with this speech.

**Ms. Fish:** Thank you indeed, Mr. Speaker, and my honourable colleague from Brant-Oxford-Norfolk. How did I do? Did I get the riding name right? I did better than some of my own colleagues on this side.

**Mr. Stokes:** The premier always gets it wrong.

**Ms. Fish:** So I've noticed. Some of us on the back benches learn very quickly.

**3:40 p.m.**

Mr. Speaker, I am pleased to rise in the debate on the bill that is before us today. I rise in very strong support of the amendments that have been put forward by the Minister of Labour (Mr. Elgie) to this House. In my view, these amendments have been the subject of considerable study, are appropriate and are long overdue.

I share some of the concerns that have already been suggested by others as they have spoken in two areas, and I will note them briefly. The first is the question of age discrimination and the matter of whether the 65-year limit should be lifted, particularly as it applies to employment.



I am mindful of the statement made by the Minister of Labour in the previous parliament when a similar bill was introduced. If my memory serves me correctly, in that opening statement the minister singled out the question of age and mandatory retirement as a matter that he would ask the committee considering the bill to give particular attention to, in view of the fact that we have seen changes in our society over the years: an ageing population and people wishing to remain more active. As well, we have the route of bringing in mandatory retirement to protect workers who might otherwise have been exploited and required to remain on the job far beyond a reasonable time.

While I did not hear the minister specifically single out that section as a matter for review by the committee, I hope the committee considering this bill will give very careful and specific consideration to that question, consideration which I suspect will warrant discussion from all sides of this House and probably will involve considerable deputation and representation.

The second area of concern I have is a not one of commission in the bill but rather one of omission. I have already spoken on a number of occasions about my view that this code should be amended to provide protection on grounds of sexual orientation and to bar sexual orientation as grounds for discrimination in this province. I think the reasons for so doing have been very amply and eloquently set out by the member for Hamilton Centre (Ms. Copps). I listened with great care to her remarks, because she took considerable time in preparing them and setting out for all of us, whatever our views on the matter, the reasons why an amendment of this sort should be made to the code. I very much endorse her views in this regard, and I welcomed her remarks and her advice as to her intentions with respect to amendments.

I intend to support any amendments that are put with respect to altering the code to provide protection to bar sexual orientation as grounds for discrimination. I look forward to the continued debate in this House on the code and the amendments in this area, as well as on my other concern as to age. Equally with other members, I look forward to the debate and the deliberations on this matter in committee.

**Mr. Nixon:** Mr. Speaker, I believe we in Ontario should be quite proud of the leadership that the province and this Legislature have given to other jurisdictions, both in Canada and elsewhere, in the matter of human rights. I was not in the House when the first bill came in

under the premiership of Leslie Frost. Many of the problems we will be debating in connection with these amendments were practically unheard of in those days. Things change, however. As representatives of the community, we are in the business of attempting to reflect these changes fairly and judiciously.

I was interested to note that the first three speakers, one from each party, have indicated there will be a supportable amendment having to do with sexual orientation. I suggest this is the very thing the Legislature would not have been very quick to act on in the days when the code was originally introduced.

I do not want to be facetious about a matter as sensitive as this but, in my own constituency of Brant-Oxford-Norfolk, where I meet the constituents at Earl's Shell Service Station, Lloyd's Barber Shop and St. George Feed and Seed, they would not be quick to jump to the support of such an amendment.

However, it is interesting as discussion progresses—and it is nice to know these matters can be discussed now with neither blushes nor smirks—that it is seen as something in the community that is here, that it was dealt with at least in part under the Criminal Code of Canada as long ago as 1968, when Prime Minister Pierre Trudeau was the Minister of Justice, and that certainly the community's response in these matters has changed.

I think I indicated as recently as the last time these amendments were before the House that I felt, in my own view, with my own background, with my own beliefs and representing a constituency such as mine, I could not support such an amendment. I am probably still in the same position, but I can assure the members that the debates on the amendments will be very significant for me and may well persuade me that I can support the amendment. I hope the other members of the House find themselves in a similar position.

By that, I am suggesting that we here, having recently been elected or re-elected, are reflecting the views of the community as they are changing. They are changing more rapidly in urban centres such as Metropolitan Toronto. But the rural areas are not left entirely behind; they now know what goes on in their own communities. Certain taboos, sexual and otherwise, have been put aside to a large extent, and people can look in a rational way at the community as it is and perhaps make newer judgements based on reality and a broader view



of what the community is and what it needs as far as the protection of human rights is concerned.

My real plea to my fellow members is to keep an open mind at least to the extent that we can listen to the arguments. In this connection, I understand that the bill, when it receives approval in principle—and I believe it will—will be going to one of the standing committees. By an odd quirk of circumstances around here, it will be going to the standing committee on resources development, because that is the committee that deals with the Ministry of Labour, which has carriage of this matter. I hope the committee in its wisdom sees fit to put advertisements in the press calling on the community to come in and express views.

Perhaps it will not be necessary to have hearings that extend for many months, but I think the committee ought to be prepared to spend a week or two to hear views from various segments of the community before dealing with the bill clause by clause and the amendments that have already been referred to. Undoubtedly, whatever happens to the amendments in committee, they will be coming back to this House; so that all of us, whether or not we are members of the resources development committee, will be called upon to exercise our own good judgement.

My colleague the member for Hamilton Centre spoke first for the Liberal Party in response to the introduction of the bill on second reading. I was extremely impressed with the well-prepared speech, which was delivered with a certain amount of bravery. It is not everybody who can cope with the spectrum of opinions found in a political party, and that is as true of the Liberal Party as it is of any other.

Her proposal was that she would put forward the amendments—and now we know others will either support them or put them forward themselves—and that the members would be called upon to exercise judgement free of the political whip, as we call it around here, in a matter of this importance and this sensitivity.

I suppose there are those in all parties who are of different opinions in these matters. Certainly, it has been obvious that there is a difference of opinion among the members of the Conservative and Liberal parties. I hope and expect—and hope the Minister of Labour will use his good offices to bring this about—that the members in support of the Premier and in support of the Conservative government will have the right I believe they were elected to exert, to express views having listened to the arguments.

If the motion does not carry, so be it. It will be brought up, I am sure, in future Legislatures. It may carry. I think the debate on this matter is going to be one of the most interesting and in many respects of more significance and importance than many we have had in recent times.

**3:50 p.m.**

My own experience is that, unfortunately, there is more prejudice in the community now than there has been at any time in my elected experience. I am going to spend a moment or two talking about that, because I feel it is getting worse, probably at an exponential rate.

When I listen to young people—sometimes around my own dinner table when my kids come home for the weekend with their friends—and the jokes that have been with us for a long time about other races and other lifestyles, nothing much has really happened. And yet some of the real bitterness we find in the community is, in my opinion, worse than it was 20 years ago when I first entered the Legislature.

I do not believe our education system is accepting the responsibility it should have, and the teachers should have, to assist our young people in developing a broader point of view to other people and other views in the community.

At the same time, the community has been changing more rapidly during the last 20 years than it has in the previous century. It is hard to imagine that there are more black people in Toronto now than there are in Buffalo, as I am informed. Many people are still quite prepared to go through life with an unreconstructed view, a holdover from generations before, having to do with that sort of racial prejudice.

I need not list them because members know from their everyday discourse with colleagues, family, people in the community at large, there is probably more bitterness of a racial and prejudice type now than there was 20 years ago.

One of the things that brought this forcefully to me—and none of us feel he or she is prejudiced; we all feel we are informed enough and broad-minded enough to make these personal decisions—was an article in the February 1981 issue of *Toronto Life* by Maggie Siggins entitled “Roots of Tragedy,” subtitled “Albert and Lemona Johnson—the Sweet Beginnings and Painful End of a Love Story.”

I suggest members should take time to read the article, which is in our library. It will give new insights to many of us who probably followed the Johnson story in only a superficial way. Members may recall that Mr. Johnson was killed by a police officer in the execution of the



officer's duty. The officer and one of his colleagues were charged and appeared in the courts, and this is another approach to that story since it has been completed in the courts.

I could be criticized, I suppose, for being selective in the two paragraphs that I want to read from this story, but one is the introductory paragraph and the other one is almost the closing paragraph:

"On the wall a few feet from where Albert Cecil Johnson was shot and killed by Constable William Inglis on August 26, 1979, is taped a black and white poster, which reads in part: "I am an angry black woman without a man, who died in another man's land. I am an angry black woman; you would see me anywhere. Does anyone really care at all?"

As I followed the story, I was under the impression that from the point of view of a staid, provincially oriented WASP, while this was an extremely difficult situation, it was something that could only be expected as the community became more and more populated by immigrants and particularly, in this instance, by immigrants from the Caribbean. But it really struck me: Does anyone really care at all? I am not sure people like me did. Perhaps I am not sure that people like me do—unless they put themselves out to find out what sort of information probably is not conveyed to us by the regular media, unless we take the time to read all of the details, and maybe not even then.

The last paragraph I want to read, if I can find it, is a very tough paragraph indeed; it is about the trial:

"The trial of constables William Inglis and Walter Cargnelli on charges of manslaughter in the killing of her husband was a devastating experience. Lemona, and indeed most of the black community, was outraged by the trial. With some justification they concluded that it had not been the two officers on trial but the character of Albert Johnson himself. Day after day, Lemona sat tense and angry as a parade of witnesses—mostly white and Anglo-Saxon—described Johnson's bizarre behaviour. Lemona dismissed much of the testimony as either untruthful or distorted.

"Once Albert's character became the focus of the trial Lemona pleaded with Crown Attorney Bill Morrison to allow her to take the stand again to defend her husband. He refused. He took the narrow view that Albert Johnson's past history and the state of his health were not relevant to what went on in the Johnson home on August 26. While this was a correct legal

position, it left the character of the dead man in ruins. The defence attorneys successfully convinced the jury that Johnson was mentally ill and so violent that the police officers had no choice—indeed showed great courage—in kicking in his back door, clubbing him with a two-pound flashlight and, finally, fearing for their lives, having one of them shoot him dead."

That is very strong journalism. Perhaps, even probably, it is an unfair slant on the circumstances. But the article, which is a long one and an in-depth description of what the Johnson family's background was in their own country, why they came to Canada and what they faced here, was a great education for me. It was more of an eye-opener than anything I have read in a long time. The point in this is that I feel there is no one to assist even receptive individuals, and perhaps I could be immodest enough to say I am one of those, to assist us in getting the kind of information that would dispel the prejudice that many of us seem to have no matter what our intentions are.

Frankly, I put some of the blame with the human rights commission itself. I am glad to see that the bill before us says, in section 26, the prime function of the commission is "to forward the policy that every person is equal in dignity and worth and is entitled to equal rights and opportunities without discrimination contrary to law." I repeat for you, Mr. Speaker, to forward the policy.

Frankly, I have not been under the impression that the human rights commission is forwarding the policy. I am not sure whether the minister and his long line of predecessors have fulfilled that mandate. They share the mandate with all of us, because we are in a position to give some leadership, but more specifically with the education system and with the commission itself. This is not the place to be critical of any individuals, and I do not intend to be, but I have felt that the commission leadership has been inadequate in recent years.

I have read that the budget of the commission has also been inadequate, and there have certainly been modifying circumstances having to do with that. But as far as putting forward the policy, I think they have been acting as some sort of a reticent tribunal that from time to time we read about on page 37 of the *Toronto Star*, or one of the other newspapers, or hear of in a special on radio or television, but they have not been pushing themselves into the community to teach the lessons that would allow the commu-



nity at large to move away from the blackness of prejudice— that is probably not a very good word to use.

**Ms. Fish:** It certainly is.

**Mr. Nixon:** Let us say the murk of prejudice that seems to be engulfing us more now than it has been in the past.

I am going to say something in great seriousness. One of the forces that dispelled prejudice in the past, but which is no longer effective, is the Christian Sunday school. They hardly exist any more, but the Christian ethic—and in this instance I do not say Judaeo-Christian ethic, but the Christian ethic—makes a big thing of man's brotherhood to man. I am not prepared to say that other religions do not, but I am about this one. Many of us have spent hours, some of them boring hours, with a Sunday school teacher going over the teachings of the Bible and the life of Christ to indicate an example of what is acceptable and what we should do. We do not have that any more. Nobody goes to Sunday school any more. The schools certainly do not and have not picked that up.

**4 p.m.**

My own prejudice, I suppose, is that there is as much benighted prejudice in the staff rooms of the schools of this province as there is anywhere else, including the St. George Feed and Seed Mill and Earl's Service, because we have got away from an understanding in our community that it is our responsibility as human beings and as individuals to be informed about those matters and to be sure, not with any holier-than-thou attitude, that the community is always moving in the right direction vis-à-vis ignorance and prejudice.

I fear we have been moving in the wrong direction and for too long. I blame the school system and again say with this new act it is the minister's responsibility—and we are all going to see that he does it; at least I for one am—to ensure that the commission is properly funded and that its number one aim, which I have already read, becomes its aim in practice and administration. I want to see some action down there and, frankly, I want to see a change in personnel. Perhaps I will have more to say about that on some other occasion.

I do want to speak briefly about section 6, sexual solicitation by a person in authority. Once again, this is something we have probably never heard of in the township of South Dumfries, although I am sure it has been around for a long time. It seems to me there can be nothing more inhuman, nothing dirtier than the kind of black-

mail that would go with a situation where somebody of either sex in authority is going to persist unreasonably in a sexual solicitation, as described in the amendment.

It is going to be very hard to police, but I believe we must have all sorts of facilities whereby people who feel they have been unsuitably solicited, harassed or blackmailed, which is the best word, will have ample opportunity to bring this forward. There are traps, pitfalls and problems, but I am delighted the section is here. I have heard of too many instances where man's inhumanity has been put forward in this completely unacceptable way. I compliment the minister for putting this in again as an amendment and wish him good luck in its application.

It has occurred to me as well that it is a good thing there is envisaged a race relations division separate from the rest of the work in the commission itself. I believe that is worthwhile and, once again, we are going to expect and look for a high profile approach. There are dangers—the easiest thing in the world is to avoid publicity—but I feel this House would want people of the community of Ontario to know we have a statute with teeth in it and that we are not going to stand for the continued harassment of our people in our province without the punishment being suitable to the crime under the circumstances.

I was interested to hear the spokesman for the NDP say he hoped the commission would report to the House through the Premier. Certainly I wholly support that. I personally thought it might well be that the function of the commission—and there is no intention in my mind of weakening its impact in this connection—should come under the Ombudsman himself, who is one of the principal servants of this House. There has somehow been an understanding that the Ombudsman is divorced and separate from government and responsible to this House directly.

With the concept of a race relations division, it might more readily become an additional responsibility for the Ombudsman in the growth and the gradual change of his office. I would have no complaint that way. In that instance, reports from the Ontario Human Rights Commission would come to the Ombudsman directly, to a committee of this House, and would then be debated in this House as we did just last Thursday when the Ombudsman's report came forward.

I am glad to have a chance to express some of my views in a matter that I consider, as we all do,



to be of great importance. I for one am quite a supporter of the minister. I hope he is not being subjected to undue harassment by his superiors having to do with any commitments he has made having to do with termination pay, severance pay or anything like that. If he needs any help in defending himself against that kind of harassment, while we cannot put it in the act, we are on his side and certainly we wish him well in his endeavours.

As for the bill, certainly I urge all of us to pay attention to the arguments. I sincerely hope we can vote with conscience in respect to the amendments that will be put forward. In general I congratulate the minister and his staff in putting forward the bill.

**Mr. Cassidy:** Mr. Speaker, I have a number of comments about the bill. Obviously on our side of the House we welcome the changes that are being proposed in the Ontario Human Rights Code, although we will have a number of changes and further amendments to make to the particular bill.

We are not happy about the length of time that it took the government to come up with this comprehensive reworking of the human rights code, since the report *Life Together* appeared in 1977. It seems inexcusable to me that the government should have put such a low priority on the extension of the bill and the improvement of the human rights code that they would wait until 1981 in order to actually present their amendments and have them passed into legislation.

I want to talk in particular at some length about the matter of the rights of the disabled that are covered in this bill. Some of my comments are going to be critical. Let me begin by saying that on our side of the House, New Democrats welcome the fact that the human rights code will at last ensure that discrimination against people in the enjoyment of public facilities, in the job market and in housing on the grounds of physical disability will not be permitted under Ontario law when this bill is proclaimed. Since this is the year of the disabled and since the government is doing very little else to recognize the year of the disabled I think it is at least worth noting that the province, through the Legislature, will have enacted this protection in the human rights code in order to protect the disabled.

But that is only a beginning, because the fact is that putting these changes into the human rights code will not change a great deal for a large number of Ontario citizens and residents

who are disabled if it is not accompanied by a series of other policies in order to make sure that the right of the handicapped to live in this society on conditions and terms as normal as they can achieve is a reality and not just a dream. The changes to this code and this legislation on its own will not achieve that unless many other things are done.

I draw to the House's attention the excellent report of the task force that was produced by the special committee on the disabled and the handicapped in the House of Commons, whose final report came across our desks just a few days ago. That task force's first recommendation was that the federal human rights code should be amended in order to include the disabled. However, that was the first of 200 recommendations, and there were 199 others. As my friend from Riverdale (Mr. Renwick) pointed out during the throne debate, many of those relate to provincial jurisdiction, provincial responsibilities, and without action in those other spheres the disabled will continue to suffer effective discrimination whatever the law may happen to say.

I think the basic principles of the task force are well worth repeating here in the Legislature. They talk about ensuring that the disabled should have an adequate income; they talk about support for promotion of self-help efforts. That means two things. One is that it should be recognized that people can look after themselves and should be allowed and encouraged and be given resources to look after their own needs to the maximum extent possible rather than being dependent. Secondly, it means that self-help groups, such as groups of the disabled, should be recognized and encouraged to help solve the problems of the disabled.

The report recommends focus on the provision of technical aids and community-support services, such as attendant care in intervener services; they recommend equal benefits and protection under the law, something to which we are moving in this particular bill; they recommend equal opportunity of access to public buildings, programs and facilities. There, this bill is in fact wanting.

**4:10 p.m.**

This bill is weak and it could be much stronger, as it should have been, had the recommendations of the 1977 *Life Together* report been followed, because that report said very clearly that the obligation to make public buildings accessible should be recognized by government and should not be left out or should not



be enforceable only by means of a long and difficult process—the process which is called for through the means of an inquiry under this particular act.

The federal task force spoke about the need to ensure that the disabled have equal access to a full range of opportunities in employment, housing, education, transportation, recreation, communication and information. They talked about the need for community support services to reduce and eliminate the need for institutional care and they talked about improving the quality of life for disabled persons who live in institutions.

I asked myself what, in fact, is the record of the government in terms of achieving those goals, which effectively make up a charter of rights for the handicapped. The answer is that the record is a mixed one and in many areas the record is sorely deficient even in this International Year of Disabled Persons.

Take the question of achieving adequate income: If an Ontario citizen is injured on the job and breaks his back, for example, and becomes a paraplegic, he becomes eligible for a substantial pension and substantial rehabilitation services from the Workmen's Compensation Board. They may even be able to keep their pension if they are able to return to work, as well as getting retraining and that kind of thing. Their pension will be approximately double the pension which is available under Gains to another Ontario resident who has a similar accident but happens not to be covered by compensation, who happens to have the accident off the job rather than on the job.

In addition to that, if the compensation recipients go back to work, they may be able to keep their pension or a substantial portion of that, but if the family benefits or Gains recipients who had a similar injury which has been disabling go back to work, they will find that once they have passed their very low limit, every dollar they earn on the job means a dollar or so lost in terms of their Gains benefit.

What about community support services? The fact is that those community support services are often inadequate, and are often completely nonexistent. I call to mind the difficulties we have had in Ottawa in terms of getting provincial funding for halfway houses that help keep people who are mentally ill out of the revolving-door syndrome that keeps on taking them back to the psychiatric hospital in Brockville. That is something that has not been a priority for the government, despite the fact that for that

group of people who are disabled by means of mental illness it is essential that they have a place where they can work, socialize, and where they can learn how to survive in this society rather than constantly going back to psychiatric institutions.

I think of the number of people who are either retarded or mentally ill who have been put into the new form of back wards, back wards which cast no credit on this government at all because they are back wards in homes for special care and in boarding and lodging homes across the province where there are no community support services at all, where people are basically left to vegetate and where nothing at all is offered in terms of rehabilitation that would help those people who are retarded or those people who are mentally ill to be able to function more normally in this society.

I know what some of those back wards are like. On my street in Ottawa Centre, a few doors away from my house, we used to have rooming houses where people from the psychiatric institutions used to be sent into what was called "community living" but, in fact, it was a form of isolation that made the psychiatric hospital far more attractive because at least it was possible to have some social interaction with other people in the community.

What about providing technical aids for people who are disabled in order to enable them to live more normally in this society? The other day we had an example when the question was asked of the Minister of Health (Mr. Timbrell) about prosthetic devices. The Minister of Health of the province is absolutely paranoid about what might happen to Ontario's health budget if prosthetic devices became covered, despite the fact that to function more normally in this society those devices are often an absolute necessity.

I call to mind the case of paraplegics and quadriplegics at St. Vincent Hospital in my riding of Ottawa Centre who are compelled to wait until the local Lions Club or the local Kiwanis Club can scrape up enough money to buy an electric wheelchair so they can have some mobility. One does not have much mobility if one has to wait to be pushed in an ordinary wheelchair because one cannot move around oneself.

It is an essential means of giving mobility, both within the hospital and also in other places if one gets out. It is something that is not available in Ontario unless one has money, which one does not have under the guaranteed



annual income system, or unless one has some group of benefactors or somebody in one's family who can afford to give one that kind of mobility and help to give normalcy to somebody who is disabled because of being a paraplegic or quadriplegic.

I call to mind the fact that if one is blind and can demonstrate to the Ministry of Community and Social Services of this government that one might be able to work if one had a visual aid, one can then get that visual aid paid for under the rehabilitation services of the Ministry of Community and Social Services.

If, however, one's vision is impaired and one has only five or seven per cent vision, but one happens to be of an age where it is unlikely one is going to work, then the normalcy of being able to watch television, read a newspaper or read a book, which is available with some of the visual aids now on the market, is denied one unless one can scrape up the money from private sources.

The government does not intervene, we in our society do not intervene to ensure that particular aspect of normalcy is encouraged by making visual aids available to people who are blind if they do not happen to be employable.

There is discrimination right there. If one is blind but one is not going to go to work, then that is too bad, it is not worth giving one something that would help to make one's life particularly normal. When one considers that 60 or 70 per cent of people who are blind are also not in the work force and are unlikely to be in the work force, one can see systemic discrimination which is engaged in by Ontario at the same time the government is moving this particular amendment to the Ontario Human Rights Code.

I call to mind the question of equal access to housing. What access is there for the disabled if they cannot afford to pay the rent? That is often a problem. What access is there for the disabled if there is no attendant care for disabled people who need an attendant to get dressed or undressed or to wash themselves? In most parts of the province, that kind of assistance is not available. Therefore, people who are disabled may live in hospitals or institutions at a cost of \$25, \$35 or maybe \$100 a day when, for a much lower sum, they could be living more normal lives in the community. There is systemic discrimination which continues there.

What about a person who is disabled who would like to live with his family, but the family finds caring for that disabled person 52 weeks of

the year is simply too much to cope with? The family says, "Look, if we could put our disabled relative in an institution for two or three weeks in the summer and a couple of weeks in the winter, that would be enough to get us over the hump and we would be prepared to continue that."

But try to get an elderly person or a disabled person into a nursing home or some other provincial facility for a short-term rest care like that, which would enable that disabled person to live a more normal life by staying in the community, and the fact is it is often not possible, in many cases not possible at all.

The task force talked about improving the quality of life for the disabled in institutions. I would like to ask the minister whether he is satisfied that has been done for people who are retarded and living in institutions for the retarded across the province. My visits to institutions for the retarded have convinced me that rehabilitation, training and the other things that could be taking place, such as stimulation of the young to ensure they can move to more adequate levels of functioning, is simply not a reality in many institutions today. Where it is not a reality, it is sometimes because of policy but often because the funding that is being given is quite seriously inadequate.

**4:20 p.m.**

Finally, the task force talked about equal access to opportunities for employment, and that is covered in the bill. The bill says you cannot discriminate against somebody in hiring because of the fact that they are disabled, in a wheelchair, or disabled in some other way. But once again what guarantee is there that people who are disabled will get the training they need in order to get jobs? The guarantee is not there. What guarantee is there that somebody who is disabled will, in fact, get the equipment he may need in order to be able to function in a job?

I know of situations where people became blind while they were at work, and because they were with an employer—I think of the federal government for example—they were able to make arrangements to have visual aids or other aids that enabled them to stay on the job. Would that employer have been prepared to make those arrangements had they come knocking at the door? The answer is very likely no, and the possibilities of redress, of sorting that problem out even with these amendments are only limited.

I believe we have to go beyond just the bill if we want to ensure that the disabled have, in fact,



equal access to opportunities for employment. The bill is not going to wipe out sheltered workshops where the disabled earn 30 cents an hour. It is not going to change that. That is covered somewhere else in the law and that is going to continue to be permitted. The bill does not provide for affirmative action as a matter of obligation on employers, and this government presenting the bill is the same government which has consistently rejected the principle that we put forward of affirmative action in order to ensure that people who are disabled have a guarantee that a certain number of positions in any large employer's work force would be available to people who are disabled.

It is several years now since the member for Downsview (Mr. Di Santo) presented his bill, the Disabled Persons Employment Act, which would have ensured that three per cent of the work force in any large work place would be disabled people, that disabled people would have access to at least three per cent of the jobs. He was not sure and I am not sure whether three per cent is adequate or whether it should be five per cent, 10 per cent or two per cent, but the principle, it seems to me, is an important one, and that is that major employers should be required to have an affirmative action program to ensure that people who are disabled do, in fact, have as a matter of reality, not just a principle, access to employment from which they are now barred. It would ensure that the varying obstacles for that employment are analysed and taken care of in a way which is very difficult if the only means of redress is for somebody in a wheelchair to go to an employer, to lodge a complaint, to have the complaint considered by a board of inquiry, and then to have the board of inquiry make recommendations.

Where there is something that is easily analysed and easily discerned—for example, the refusal of the employer to spend a few hundred dollars to put in a wheelchair ramp or to put in a toilet that would be suitable for a person in a wheelchair—then the board of inquiry route can probably sort out the problems, but what do we do when there is systemic discrimination by a corporation like Shell Canada, Bell Canada or some other corporation like that which goes right across the whole corporation and which means that the company is quite systematic in dragging its feet in terms of opening up positions to people who are disabled? We cannot get to that through boards of inquiry.

I am disappointed in the fact that affirmative

action programs or an affirmative action approach is not even required for corporations that deal with government. All the law says, when we get through the verbiage, is that a corporation dealing with government should not be in violation of the human rights code. I would assume that if we pass the law, we expect that every corporation will respect the code. The minister can talk to that.

It is true that the government will have the power to break a contract where there is evidence that a corporation that contracted with the government was not adhering to the code. That power is there but that is all, and we have to assume that the government would be prepared to use that particular muscle. They have not always been prepared to do it in the past. We have to be prepared to assume that this is the best thing that can be done when the other route is so much more obvious, which is to look at affirmative action as a concrete means of implementing priorities which have been set out by the members of this Legislature acting on behalf of the people who elected us, the citizens of Ontario.

I will go briefly through the other points that affect the disabled, such as the transportation system. Right now in certain major cities we have, on a pilot project basis, an alternative transportation system for people who are disabled that is separate and unequal. In certain cases it is costly; in other cases it does not cost the user a great deal but is extremely unwieldy when compared to the transportation system available to most people in the community who can just hop on a streetcar, a subway or a bus.

It would certainly inhibit my social life if, whenever I wanted to go out to a movie, I had to make the arrangements two days in advance, negotiate with the provider of public transportation to make sure they could arrive, pick me up and then pick me up when the movie was over. Once I was in the movie I would have to decide that even if my friends suggested having a drink or a coffee in a restaurant later I would not be able to do that. It would inhibit me as well if any time I went to the restaurant I had to telephone in advance to make sure the restaurant was accessible and I would not be embarrassed when trying to get in.

The fact is that for major groups of the disabled the public transit system of the province is almost totally blocked off. I have heard stories from disabled people about trying to come in from Oshawa to Toronto, for example, for medical treatment. I am told that if you are



in a wheelchair and you try to get on GO Transit they let you on the first time but they make it very clear, "Would you mind not coming on the GO trains again, because we do not want you." Instead a person who is disabled has to arrange for limousine service to come from Oshawa to downtown Toronto at a cost of \$25 or \$35—and perhaps as much for the return trip—or else arrange for somebody else to give them a lift in a private car.

That is clearly not equal access to transportation. If trains and buses are the only means of transportation, surely we should be doing more than we are now to make sure those public modes of transportation are available to people who are disabled.

I am not convinced the will to implement a comprehensive policy for the disabled exists as yet within the government. I want to echo the words of my friend the member for Riverdale. He suggested during the throne speech debate that now we have the report of the special committee on the disabled and handicapped from Ottawa—an excellent parliamentary report—we do not need more studies and reports around here. What we need is an implementation plan, a program for action.

The member for Riverdale suggested—and I pass this suggestion on to the minister who was probably absent at the time of that portion of the throne speech debate—that we set up a select committee over the course of the summer, to meet from the end of June until September or early October. It would come in with an implementation plan not just with respect to the human rights code but with respect to those other areas I have mentioned and other areas which are mentioned in the federal parliamentary report. These would ensure that equality for the disabled and the handicapped in this International Year of Disabled Persons becomes a reality in every walk of life and not just in the human rights code.

If the human rights code on its own is not enough for the disabled, that is true in other areas as well. A few months ago, for example, I was at Seneca College meeting with a group in an introductory course for women in nontraditional occupations. They told me stories about what it is like to be a woman in the work place in Ontario today.

They earn just over half as much as a man on average. If it is shift work they probably cannot get day care for their kids under any conditions. If it is daytime work it may well be in an office where they are in a dead-end job. It may be in a

bank where they stay as a teller forever while the men work for a few weeks as tellers and then move into management positions. If it is daytime work they probably cannot get day care at an affordable price. If she and her husband have an income they find that most of the woman's income is taken up with paying the costs of day care for their children.

If a woman who wants to get training and applies to the employer-sponsored training program, that great initiative of the government of Ontario, she will find that four women and 1,500 men were enrolled in that program at last approach. This is another indication of the systemic discrimination that exists in Ontario for which the provincial government is responsible and which will not be wiped out by the re-enactment of the discrimination on sex provisions of the code.

**4:30 p.m.**

If one is a woman with a child and she is on her own the chances are that she is going to be a tenant, because she cannot afford a house, particularly in high-cost areas like Metropolitan Toronto. So when she goes knocking on doors for an apartment near the day-care centre and near where she works she is liable to find that the apartments there are adults-only apartments and will not take children. The apartment owner takes upon himself or herself the judgement as to whether or not that accommodation is suitable. It is time that discrimination against people with families be wiped out, and it is time that the government in fact put its action where its mouth is in terms of its commitment to the family.

I read with some dismay the throne speeches of the last three years. In 1979, the government said in the throne speech, "Throughout 1979, the observance of the International Year of the Child offers a special opportunity to reinforce the awareness that our children are the single most important assurance for the future."

In 1980, the throne speech said: "My ministers believe that personal, family and community responsibility are basic to the direction and welfare of any free society. Limiting the role of large institutions supporting the family"—I repeat—"supporting the family"—and other things—"these are the appropriate roles for government in the 1980s."

In the throne speech in 1981 the government said: "The importance of the role of the family in our society cannot be too strongly emphasized. This has been a consistent view of the government, and one which it upholds in a range of accepted provincial policies and programs."



How can a government that mouths those slogans, that puts forward those principles, be so hypocritical as to tolerate the continuation of adults-only rental accommodation on the scale that exists right now? I cannot understand that at all. How can it condemn women with families, families on low income with children, to second-class or substandard accommodation, or to having to travel for 45 minutes to an hour each day each way to and from work, because the only place that family or that woman with a child or two can find accommodation at an affordable price and that would accept children was way out in the suburbs of Ottawa, Windsor, Hamilton, Toronto, or London or some other community?

That, it seems to me, is pure, arrant hypocrisy that exists right now here in Ontario, and it is another example of systemic discrimination; only in this case the discrimination against families in accommodation is in fact explicitly endorsed in the bill, and it should not be.

I want to suggest that the minister consider that buildings for senior citizens are an appropriate kind of exception to the law. But apart from that, other exemptions that allow landlords and developers to discriminate against families should simply become a thing of the past and be wiped out by a change in this particular bill.

I want to suggest, returning to women, that here again we need more than the human rights code antidiscrimination provision. We need affirmative action, and we need affirmative action that is going to work. The efforts of the Ministry of Labour in the area of affirmative action have been puny and ineffective. They just have not worked. The reason has been that this has not been a priority of the government. In the case of the civil service itself, two thirds of the women who work for the Ontario government earned less than about \$13,000 the last time we looked, whereas 70 or 80 per cent of the males who work for the government of Ontario earned more than that amount—another example of systemic discrimination that is not going to be wiped out by this particular bill.

I turn next to the question of racial discrimination. In this case a race relations division is being set up in this bill. It is overdue, but it is welcome. However, that again is not enough. I want to suggest it is time that the commission and the government woke up again to the fact that there is systemic discrimination on the grounds of race, ethnic origin and colour. Recently the Toronto Sun sent out a couple of

reporters, one white and one who was a member of a visible minority. They were looking for apartments, and many of the doors that were open to the white reporter, where an apartment was available, were closed to the reporter who was coloured.

Surely that is an example of the continuation of discrimination, and surely, rather than waiting for individual complaints, the Ontario Human Rights Commission should have the right and the authority to go and look for those kinds of violations, whether they are deliberate or inadvertent, and to use its good offices first, and its legislative powers second, to ensure that kind of concrete racism in society in Ontario becomes a thing of the past.

We have questioned whether the government is prepared to provide adequate resources to the commission in order to stamp out racism. The minister knows that Albert Johnson several months prior to his death had launched a complaint to the human rights commission, and that complaint had not been acted upon because of the backlog of cases before the commission. Is that going to be changed, or are we going to continue to see a situation where justice delayed is justice denied?

Is the minister prepared to stand up and insist that the Solicitor General (Mr. McMurtry) change the police complaints bill so that it will have the confidence of visible minorities, the various ethnic minorities here in Metropolitan Toronto, or will the minister tolerate a half-baked bill that will not be adequate in calming the fears and misgivings of people who want to have confidence in the police, but are not satisfied with the complaints bill as it is being proposed right now? Will the commission be given the power and the authority to reach out with an information program, to teach about the dangers of racism, and seek to inculcate positive attitudes within society rather than some of the negative attitudes that exist right now?

I will pass quickly over a concern of mine, political rights for public servants. I am not sure whether the international conventions to which Canada subscribes cover this matter, but it seems to me that a person who is a carpenter, a secretary, a clerk, a bus driver or a snowplough operator in the public service should surely have the same political rights as somebody who carries out those occupations in the private sector. The discrimination that exists right there is not tolerable or acceptable, in my view. Back in 1972, I initially proposed a private member's bill that would give political rights to public

servants and make them equal with every other member of the community, apart from that handful who are in very sensitive, high level jobs. I regret the fact that the government has not been prepared to move in that area.

Our party has believed, as a matter of policy, that discrimination on the grounds of sexual orientation should be outlawed through the human rights code. This is quite simply a matter of civil rights. The minister knows that not only has that been enacted now in the Canadian Human Rights Act, but it is also now a matter which has been looked at and endorsed by a wide variety of groups in this society, including the Ontario Federation of Labour, which unanimously reiterated that policy at its convention a few months ago.

It is the sole major recommendation of the Life Together report which has been ignored by the government. Obviously not every recommendation has been enacted in letter perfect form, but this is the sole major recommendation that has not been acted on. I regret the way the government has handled this particular issue. Frankly, I believe it has been trying to exploit the issue for political purposes, and that is one of the reasons why it delayed, until the eve of the election, enacting or taking action on the 1977 Life Together report.

There is no question that before the election this issue was emotionally charged. The chances of being able to have the public understand what the issue was all about were next to nil, and therefore, the government by its choice of timing on this particular bill not only jeopardized that particular reform, but also jeopardized the whole area of civil rights.

I do not think the government should play politics with the question of human rights in that particular way. There is no question that with respect to sexual orientation, whether it is heterosexual or homosexual orientation, there is a need for a process of public education. Were we the government, I think we would probably begin with the process of public education and then move to legislation. But we are facing a situation where this is the only opportunity, probably in 10 years, when it is possible to make any further changes to the code.

I suspect that for some long time, at least as far as this government is concerned, it is not the intention to bring the code back before the Legislature.

**4:40 p.m.**

We are looking at a code that covers very restricted areas, jobs, housing and access to

goods, services and facilities. We are not looking to endorsement by this Legislature of any particular lifestyle, just as by acting on the bill are we believing that we can therefore wipe out prejudices which may exist in the community. When this bill is proclaimed it is not going to mean that people suddenly forget race prejudice, forget their male chauvinist tendencies—or their female chauvinist tendencies, if that is what they have—forget ingrained prejudices based on ethnic origin, or on religious belief or other things like that, although I hope that the bill and the actions of the commission will contribute in that direction.

What the bill does, however, is it seeks to ensure that people who are in the various minorities that are covered by the bill do not suffer discrimination as a result of prejudices that people may happen to have. If the prejudices did not exist then I would assume that the Ontario Human Rights Code would not be necessary. But the prejudices are there. They are worked out from time to time, and in respect of a disabled person it means that disabled people have been denied jobs, housing, access to restaurants and things like that. In the case of people whose sexual orientation is not that of the majority, they too have been fired from jobs.

I cite the case of John Damien, the racing steward, who was one such case of people who have been fired from jobs. They have been denied housing. They have been threatened with exposure and they have been excluded from public facilities such as restaurants, pubs and that kind of thing because of a particular sexual orientation, which I understand is something that most psychiatrists and experts in the field indicate is not a chosen thing but is something which is basically innate and either difficult or impossible to shake.

I stress that this is a matter of civil liberties. It is a matter which I would hope the three parties could come to an agreement on, as happened in Quebec, where it is now a part of Quebec's Charter of Human Rights and Freedoms, and as has now happened with respect to the federal Canadian Human Rights Act. It seems to me that since this is the last opportunity to look at the code for a number of years—I presume at least for the life of this Parliament—we should take this action now and have it over and done with and then say quite clearly to the Ontario Human Rights Commission that there is a job of education to be done both in the narrowness of what is being done and also on just what the limits of it are.



I want to stress that whether we are talking about the disabled, whether we are talking about women, whether we are talking about accommodation for families, whether we are talking about race relations, whether we are talking about political rights, or whether we are talking about sexual orientation, the human rights code on its own is only a part of what needs to be done in terms of wiping out discrimination and the aspects of discrimination in Ontario.

The code is not enough. We will seek to expand it and to improve it, but we believe that the commission should take on the responsibility when this code has been re-enacted. It should take on the responsibility to monitor the application of human rights, including those areas where it does not have direct responsibility.

I call to the attention of the minister and the House section 26(a) of the bill, "It is the function of the commission to forward the policy that every person is equal in dignity and worth and is entitled to equal rights and opportunities without discrimination contrary to law."

As I have pointed out, there is systemic discrimination which often cannot be hit at directly through the human rights code. I want to suggest that the human rights commission is the logical body to pinpoint where that systemic discrimination exists, to demonstrate what can be done in order to wipe it out, to make recommendations on a regular basis and to put those recommendations before the Premier, the cabinet, the Legislature and the public of Ontario in the same way, for example, that the commissioner of official languages acts with respect to the application of the Official Languages Act and the principle of equality of the two official languages in the country at the federal level.

In addition, I believe that the commission should be empowered and encouraged to reach out. It should move its offices out of the high-rise towers downtown into communities where race relations or other forms of discrimination are a problem, rather than hide its light under a bushel. There should be a possibility of bringing class actions under the human rights code which is not adequately covered in this particular bill.

The commission requires adequate resources and most of all, in major areas such as discrimination against women and against the disabled, we need an effective affirmative action program on the part of the province of Ontario with respect to its own employees and reaching out

into the private sector. It is not enough to pass a bill, it is not enough to utter pious good wishes; they have to back those good wishes and that policy in the legislation with effective action to make sure that discrimination is not practised and that systemic discrimination is wiped out in the province. I believe that we in Ontario can achieve that goal if we have the political will and if we have the will to make all of the other changes in legislation and government practice that are required to back up these amendments to the human rights code.

**Mr. Shymko:** Mr. Speaker, in declaring my support for the amendments to the Ontario Human Rights Code and to this act, I would like first of all to begin by quoting a letter dated January 30, 1981, which was signed by the chairman of the human rights and antidefamation committee of the Ontario Advisory Council on Multiculturalism and Citizenship, Jean Gammage, whose name is familiar to some members opposite. The letter was addressed to the minister, and I would like to quote from this letter because of the significance of its contents:

"The Ontario Advisory Council on Multiculturalism and Citizenship and its human rights and antidefamation committee wish to express congratulations to you on the presentation of Bill 209"—which was the present bill numbered a little differently—"an Act to revise and extend Protection of Human Rights in Ontario, on November 25, 1980.

"For many years groups and individuals have been diligently seeking amendments to the Ontario Human Rights Code in order to make it a more effective tool in the fight against discrimination and all forms of racism. Therefore Bill 209 represents to us at the council as well as to concerned groups a positive response to years of discussions, research and deliberations.

"We are very pleased with the bill, as it represents one of the most significant pieces of legislation tabled in this decade. We are concerned, however"—and I recall that this is January 30—"that there may not be time for third reading and that the bill may die on the Order Paper." That was the big concern at this date. "Should that indeed happen it would be a most tragic turn of events for all Ontarians, but particularly so for residents who suffer the consequences of discrimination, whether it be in housing, employment or services."

There was a concern about an excellent piece of legislation, which unfortunately died on the Order Paper, by an individual who was very nonpartisan in her support of this particular bill,



and who urged the minister and the government that should there be an election, should they form the government, one of the very first decisions they would have to make would be to reopen this bill and have it as the first legislation presented before the House because of the quality of that bill.

Certainly what is happening today in having made this decision is indeed an historic moment in this province. No doubt it is not perfect; nothing in life is perfect. But it is a sincere attempt to provide one of the best legislative acts and codes in the western hemisphere.

**4:50 p.m.**

I would like to make reference to two international acts to which this country has been a signatory. The first one is the Helsinki Final Act of the Commission on Security and Co-operation in Europe. Basket three dealing with human rights is one of the most progressive concerns jointly agreed to and signed by Canada. I do not have a copy, but there has been a review of Canada's compliance. By Canada's compliance we refer to every provincial compliance to that very important historic act.

It is a truism that our form of government is superior to some other governments that have been signatories to that act. They pass laws and there is no opposition, there is no criticism. They interpret the law and punish or reward people according to their interpretation of that law. But I think one of the great truisms about this government and our federal government is that the right to criticize is the best guarantor of human liberties and civil, economic and social rights. There are states that have proceeded from the opposite premise: that it is the governing party or government alone which can determine what is right and just for its citizens.

There is no doubt a great deal of the quality and character of this bill came as a result of concerns of all members and of debate in this House and in committee. We have progressed, we have evolved in having this excellent piece of legislation. This province and this country have used the legislative process to express commitment to the protection of the most vulnerable members of our society, of our communities, to the enhancement of human dignity and to the development of that full potential of all our citizens.

This bill is indeed a landmark piece of legislation that gives tangible evidence to that commitment and to that responsibility that this ministry and this government have always shown to citizens.

I do not have a copy of the report of our compliance with that international treaty, but I would like to quote something from the United States' compliance in human rights to the Commission on Security and Co-operation in Europe. I think it has relevance to what we are witnessing and what we are debating today. One comment of a member of that commission, the Deputy Undersecretary of the Department of Health, Education and Welfare, whose department is similar to the Ministry of Labour here, was:

"Our department has an essential role in the domestic implementation of that act, as all our states have a domestic role. I think we are fulfilling that role. We are not looking back to our past accomplishments but are looking ahead to the challenges that remain as we seek to ensure that citizens who are vulnerable to poverty, to discrimination or disability are fully integrated into society."

That is the type of legislation we are witnessing today. It is one that is looking ahead to the challenges of the future. It is not perfect, as I have mentioned earlier; it does not pretend to perfection, but it is a sincere attempt to reach what we may call perfection in our relations with our fellow human beings.

A report I have before me is the report of Canada on the International Covenant of Civil and Political Rights. It presents all the human rights legislation in all our provinces. In this preface it is said that Canada acceded to this covenant of the United Nations on May 19, 1976, and the covenant came into force in Canada three months later. It is the first such report to be submitted by Canada under the International Covenant on Civil and Political Rights. It was submitted in April 1979.

What is unfortunate in this submission is that we do not see this bill in the section that deals with Ontario. We do not see the bill as it will become law. When these amendments are accepted, voted on and become the new amended code, it will be one of the most progressive pieces of legislation that will be seen in a report by Canada in 1981 or 1982.

There are certain parts of the bill on which I want to comment briefly. One is the fact this bill will have primacy over all other acts. It is so important to realize there may be statutory acts in this province that will have to be reviewed as a result of the implementation of this bill. I can point to one specific province, Saskatchewan, and to one area that deals with minority rights.



Saskatchewan has experienced some of the problems the members opposite are now discussing. I will make reference to it later on.

Saskatchewan, for example, has an act called the Saskatchewan Multicultural Act, which I am sure may be raised some day in this Legislature. But what is important is that the Saskatchewan Human Rights Commission forwards the principle that cultural diversity is a basic human right and fundamental human value. It has integrated this. It is interesting.

It is an area we may discuss again, an area we may perhaps look at as a possible integration of our policy of multiculturalism which is mentioned in Canada's report, which made reference to the May 1977 announcement by the Premier and made reference to the Ministry of Culture and Recreation Act. I am sure there may be some aspects where we may look at the integration into the Ontario Human Rights Commission of a reference to that. Nothing is perfect. There is a whole process of education that society will have to undergo before we can possibly enact some of the propositions and suggestions from members opposite.

Society has been labelled and relabelled and divided over and over again by various definitions, be it the concerns and interests of the aged, the young or the handicapped, be it on the basis of race or religion. Protection has been given to them. To what degree do we continue to place more labels?

I am sure there could be excellent arguments in this House to have another group, pregnant women, listed. Single parents could be listed as a separate sector of society that has concerns. Protection of the unborn foetus could be listed. We could go on and on being genuinely concerned. But I think there is a process of education that society must undergo. Unless society is educated to accept the special concerns of particular groups, there is no point in making this the prime issue or focus that disregards all the positive aspects of this bill.

As I have mentioned earlier, the government of Saskatchewan did attempt to introduce a certain amendment dealing in this case with sexual orientation. The members to my right on the opposite side of the House are concerned, but perhaps they might discuss it with their colleagues in Saskatchewan. Why is it they rescinded and are reviewing that particular proposition? I am sure there must be some reason why the Attorney General of Saskatchewan has made suggestions to perhaps review that and it is not in the code.

5 p.m.

**Mr. Foulds:** How about referring to the lack of leadership of the Conservative government of Ontario.

**Mr. Shymko:** I am referring to the NDP government of Saskatchewan, Mr. Speaker.

There is no doubt that at present we have protection for particular groups of people. Whether they are male homosexuals or female lesbians; whether they are of one religion or another; whether they are of one ethnic background or another; on the basis of their age; on the basis of their being handicapped—there is protection. To what degree do we continue to label society more and more?

The human rights commission will be receiving a vaster and more extensive mandate. In terms of economic constraints, some people may say that the allocation of moneys to fulfil their responsibility may seem expensive. But it points out the determination of this government to try seriously to change some of the negative incidents that have occurred over the past number of months and years in metropolitan areas such as Toronto, where society has reacted in a bigoted manner.

Where conflicts exist, it is trying to solve this problem by providing a law and by providing the means of implementing it. I certainly congratulate both the minister and his staff in applying strength and forcefulness in trying to find these solutions and to provide harmony for our society.

In conclusion, I express my support. I certainly do not say this legislation is perfect, but there will be time to debate. It will go to committee, and I am sure there will be various views. Perhaps there will be some improvement; who knows? At least let us be sincere in admitting that this represents one of the best pieces of legislation ever passed in this chamber.

**Mr. Roy:** Mr. Speaker, I want to make a few brief comments pertaining to Bill 7. As one who has had a serious commitment to human rights, I would hate to think that a piece of legislation as important as this one would pass without my making a very few comments.

I would like to congratulate some of the members who have spoken prior to my intervention. Some of the comments made, at least the ones I heard, were extremely positive, and there were suggestions that will be very helpful in making this a better bill. I am sure the minister will welcome some of the suggestions that have been made.

I remain silent on the small tirade that took

place in the absence of the minister when the member for Scarborough West (Mr. R. F. Johnston) mentioned that the minister was not here. It was quite right that the minister should be here during the comments on the bill, and I think he will agree.

**Hon. Mr. Elgie:** There are not many members over there.

**Mr. Roy:** The minister comments in jest that there are not many on my side, but we are not the minister; he is. He has been entrusted with that sacred office. He is even getting extra pay to be here and, considering the constructive comments that are being made, he should want to be here to take notes.

It was typical of the government, if I may say so, that generally speaking, in a minority situation, they at least had a parliamentary assistant here or somebody to take notes. But I suppose it is part of the—

**Hon. Mr. Elgie:** Mr. Speaker, on a point of privilege: I wonder if I could take this opportunity to introduce my parliamentary assistant, the member for Sarnia (Mr. Brandt). The member for Ottawa East is unaware that—

**Mr. Foulds:** On the point of order, Mr. Speaker: We could recognize him if he were in his seat. The member for Sarnia is not in his seat.

**Mr. Roy:** I am pleased, Mr. Speaker, that a parliamentary assistant has been named. I have discussed the matter with my colleagues, and I believe it is news to most of us here. We did not know the member for Sarnia—

**Hon. Mr. Elgie:** You should come on Mondays and Fridays.

**Mr. Roy:** The member keeps talking about Mondays and Fridays. He is not even here himself on his own bill; so he should not talk about the attendance of other people. He should look at the front row there and start talking about the attendance of some of his colleagues. If he talks about attendance, he should look at—

**The Deputy Speaker:** We are talking on Bill 7, Mr. Roy.

**Mr. Roy:** Mr. Speaker, what I want to say to the minister is that I think the comments made by a number of speakers have been constructive and I hope they will be implemented by him to make this a better piece of legislation.

I agree with my colleague who opened the debate, the member for Hamilton Centre (Ms.

Copps). In spite of the fact that this may be excellent legislation, there are serious gaps within the bill.

The member for High Park-Swansea (Mr. Shymko), who just preceded me in the debate, must be bucking for cabinet; he started talking about human rights, the UN assembly and the signatories to the charter, and then went on to say how this probably was the finest piece of legislation in the history of the world.

It is one thing to be partisan, it is one thing to be enthusiastic, but one cannot go overboard because then it challenges one's credibility. The member will make it into cabinet. As I said to the members in the back row before: "Hang in there; don't be too impatient; you will see eventually you will make it into the cabinet. Keep looking at the front rows, and you will see that in some areas the talent is something for you to be encouraged by."

I think it is a positive step, but the member should not go overboard. There are other jurisdictions where positive steps have been taken.

This province is going through what I consider to be a very important time in human rights. Here we are in the Legislature of Ontario discussing Bill 7. At the federal level there have been discussions for about a year pertaining to the charter of human rights, and the question is now before the Supreme Court of Canada. Other jurisdictions have made major amendments to their human rights legislation as well.

I think it is extremely important when we do have the opportunity to amend legislation as important as the human rights code, something that does not take place all that often—and the same thing applies to our new constitution—that we avail ourselves of the opportunity to make this legislation as all-encompassing and as effective as possible.

The member for High Park-Swansea asks why we should be so specific; are we going to start outlawing discrimination against red-headed people who are walking on the right side of the street? He says if we get too specific, we will forget somebody.

That is the argument of people who want to avoid facing responsibility. According to this report *Life Together*, there is discrimination in certain areas and that is what the bill should prevent. That is the purpose of the bill. If we do find there is discrimination involving pregnant women or in other areas, it should be outlawed



in the bill. That is how legislation evolves. It is based on fact and reality. It is based on the real world. That is how we arrive at legislation.

5:10 p.m.

Somebody looking at a piece of legislation like this might say: "It is much too specific. You are excluding some areas. Obviously, we do not understand why you prohibit discrimination in one area and not in another." Basically, it is because there is a realization on the part of society that there is discrimination. That is what we are trying to prevent. That is the purpose of some of the comments we have made involving discrimination as far as sexual orientation is concerned.

One reason it is so important that we discuss human rights and avail ourselves of the opportunity to participate actively in this type of legislation is the fact that we see what happens elsewhere in our society. We see what happens when discrimination is based on things we would never accept; for instance, how discrimination based on religion so divides a country like Northern Ireland. How is it that a situation can so deteriorate?

We talk about the ultimate sacrifice, but what sort of evil or what sort of problems exist in a particular country that would drive people to starve themselves to death over an issue, basically, of religion? Can one even fathom the fact? As one dies, another one goes on a starvation diet. It takes a matter of 50 or 60 days, and one sees a gradual deterioration.

It is hard for us even to think about a country that is so divided. As far as I can see, and possibly other members of the House can correct me, it is religion that is driving people to do that sort of thing. This morning's news told of an army vehicle that was blown up in Northern Ireland, killing five people. That is one example of what happens when we take certain things for granted and allow a situation to deteriorate. It continues to deteriorate and sometimes one forgets what one was fighting about in the first place.

I am distressed to see what is happening in France, where apparently there is serious concern about the human rights of the Jewish minority in that country. There is serious concern about their public activities. They are having to take steps in a country as democratic as France to get special security to protect themselves.

Basically what I want to say is that human rights, the protection of fundamental freedoms,

is not something we can take for granted. At all times, we must be very jealous in guarding such freedom.

I heard my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) saying he sometimes gets the impression things have not advanced, a feeling there is more discrimination and more harshness towards a variety of groups in our society than in the past. He may well be right. It was easy to be gracious when there was plenty, when things were good and certain minorities were not as obvious as they are today.

At one time it was easy to say there was no discrimination in Metropolitan Toronto, in this province or in this country against certain minority groups such as blacks or people from other countries. But when things get tougher, when the numbers become greater, when they are more obvious on our streets, when there is competition for jobs, that is when one hears people at various levels making comments like: "Is there something wrong with our immigration laws? Are we letting too many people in?"

I suppose there is some duty on the part of society to be reasonable as well. We have to have a certain type of accommodation or education so that society accepts us. By and large, we are a kind and generous society, but at certain times we need to accommodate. We will see if we are serious about certain of these aspects as things get more difficult, when there is more unemployment, when there is more competition, and when the ravages of inflation may diminish the graciousness or generosity that we have had in the past. That is when we will see whether we are really serious about human rights; that is when legislation such as this and the education and attitudes of the people will be put forward and when we will see whether we are serious.

That is why I am sad to some extent to see that after so many years we are finally bringing forward major amendments to the human rights code. Some other members have mentioned it before, but I find it somewhat interesting that back in 1977, when the chairman reported on the recommendations that he had in the report called *Life Together*, he stated at the end: "I hope that this report will receive both wide public discussion and careful legislative consideration, and that its recommendations will be acted upon with dispatch."

Here we are four years later, and we are, I hope, going to act on it with dispatch at this time. Nevertheless, four years unfortunately went by before we brought forward overall,



comprehensive legislation. I think the present minister is serious about the contents of the bill. I think he means well in bringing forward a bill which he and his colleagues on that side feel will be acceptable to the majority of the citizens of Ontario.

Nevertheless, what is sad about the process is that in certain areas there is evidence of discrimination that we are not going to deal with. I suppose the most obvious one—and it has been mentioned on a variety of occasions here in discussions by a number of members, some of whom are for it and some of whom have reservations about it—is the question of sexual orientation.

The first question to be asked when one is dealing with an issue such as this, obviously, is, “Is there really a problem?” I go back to the comments made by the member for High Park-Swansea, when he was saying: “You cannot be too specific. How narrowly do you want to be in bringing forward this legislation?” As much as we would like to say, “No, there is no evidence of discrimination, really; they are a very vocal minority who have a high profile and who have at various times paraded and managed to get far more attention than larger groups of people who deserve just as much attention;” the fact is that there is evidence of discrimination.

I go back to the report *Life Together*, where the chairman stated that there was discrimination. I read from section 81, page 95 of the report, where he says: “Because they are not protected from discrimination on the grounds of their sexual orientation, many people in Ontario who are homosexuals live in constant fear that they may lose their jobs, their living accommodation and other basic necessities if their sexual orientation becomes known. As things now stand, this can and often does happen despite the fact that individuals concerned may be exemplary employees or tenants. They are being discriminated against because of something which is part of their private life.”

This is not just a report put forward by the group itself.

This was a serious group of individuals led by an individual who in the field of human rights probably has as high a profile, has as much knowledge and has contributed as much as anyone in this province; that is Tom Symons.

**5:20 p.m.**

He goes on to say: “Because of the possible consequences of public disclosure in these circumstances, many people in Ontario who are homosexual in their sexual orientation are vul-

nerable to blackmail and intimidation. The scope for such blackmail and intimidation would be radically reduced if the Ontario Human Rights Code provided protection from discrimination on the grounds of sexual orientation.”

There it is. There is evidence, and other members have cited cases of this; the fact is that it does exist. After all these years, in making a major amendment to the Ontario Human Rights Code, are we going to leave a void? The bill is wide-ranging and prevents discrimination on the basis of race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, age, marital status, family or handicap. As a society that cares about preventing discrimination in all areas, how can we justify leaving out an area where there is discrimination?

We are leaving that area without the protection of the law. How can we in this place say we have acted objectively, that we have given leadership on this issue, that we are serious about preventing discrimination in all areas, when we prevent it in one area but are not prepared to face it in another area?

I quite understand that it is difficult; I look at the minister and the difficulty he must have with his caucus. For instance, it was interesting to hear this afternoon the comments of the member for St. George (Ms. Fish), who said she would support such an amendment. I do not mind saying that in our own caucus there is far from unanimity on that issue. But there are precedents, there are effective ways for dealing with an issue as touchy as this one—and there is no doubt about it that, politically and for other reasons, members are very cautious about such an issue. I thought Quebec, for instance, dealt with it as practically and as efficiently as any jurisdiction I know of.

All the parties got together and agreed that no one would try to take political advantage of such an issue. They agreed, for instance, that the amendment would be passed expeditiously in the House and, through all-party agreement, it became part of their law. They are preventing that type of discrimination in Quebec. I say to my colleague the member for Stormont, Dundas and Glengarry (Mr. Villeneuve), “My God, can you imagine this happening in a place like Quebec, where Catholicism is so deeply engrained?”

I recall that back in 1968, when Trudeau, as Minister of Justice, made his famous comment that the government has no business in the bedrooms of the nation. In that election R  al Caouette, the leader of the Creditistes, went



throughout Quebec, saying: "It is terrible what Trudeau has done." He was talking about—in French there is the expression "les fifis"—about whipping les fifis in the rural ridings all over Quebec, saying: "You know what Trudeau is saying. I am going to be whipping les fifis."

The fact is that in a province like Quebec, which is as urbanized as Ontario and which on many issues is as small-c conservative as Ontario, it was accepted. And in Quebec—the minister may correct me—has it caused problems?

I quite appreciate that many groups, and the gays are one of them, groups sometimes are far more aggressive and far more obvious than many of us would like to think. Sometimes, in challenging certain institutions, when they have the protection of the law, they make it very difficult for certain groups and certain individuals to be supportive of their position. The fact remains that in a jurisdiction like our sister province of Quebec that is the way one goes about getting this type of legislation.

I understand the difficulty the minister had but I find it sad that we as a Legislature and as a group have not managed to deal with this problem. Not only have we not dealt with the problem, but I have had my suspicions at times. I have heard the Attorney General (Mr. McMurtry) just recently in the House deny this, but the incidents that took place just before this last election involving the raid on the bathhouses, the intensity of the raid, the timing of the raid, the number of charges laid against what we call the found-ins, is something that most often does not take place when we are dealing with heterosexual abuses, offences or whatever. There is something in that particular case which leads many people to question whether we are dealing with the problem, or if there are times when we are trying to take advantage of that issue.

The Attorney General denied this, but for those of us who have been sitting here for a number of years looking at the operations of this government at different times, we have our suspicions. If that was not the case, if I was in the government and if I was the Attorney General of this province I think I would be talking to some of the people in the law enforcement agency. That whole experience is not something which is conducive to educating and asking society to accept a group of individuals whose lifestyles or orientation sexually, or otherwise, is different from the majority.

My colleague from Hamilton Centre dealt with the question of age. I agree with her that

there is no reason today why discrimination should only be prohibited on the question of age to age 65. I thought the report Life Together made a very important point on this. I read from the report where it states:

"Many briefs also drew attention to the need to protect people over the age of 65 from discrimination because of their age and called for the broadening of the definition of age in the code to achieve this purpose. Sixty-five initially appears to have been picked out for official recognition as the appropriate year for retirement by Chancellor Bismarck when he introduced the first old age pension law in Germany in the last century. Apparently the Iron Chancellor assumed that not many would reach that age. But the world has changed since"—as you know, Mr. Speaker.

I think what is important is what is stated here: "Older people, like the young, face many threats to their human rights in a society designed largely for the convenience of middle-aged people. But the human rights issue that was raised most frequently in the briefs concerning age was the question of mandatory retirement at age 65.

"If the present trends persist"—and this was a report in 1977—"a minority of younger people will support a majority of senior citizens and children, and in consequence the cost of the kinds of programs now in existence will skyrocket."

That is one of the concerns. We just had a commission report recently on the question of pensions. That is a concern that we have for later on, but an important point is made that we should not continue to restrict discrimination on the basis of age as ending at 65. I thought when my colleague from Hamilton Centre stated age she meant the age of 18 years or more, and it should end there, it should not have "less than 65."

I understand that the members to our left have some problems with that issue. There was some attempt by their critic this afternoon to come to some accommodation on it. But as we could see, they are starting to feel the pressures of reality. We are sure it will not be very long in any legislation where we continue to have limitations for the age of 65.

**5:30 p.m.**

In closing, I would like to support the comments of my colleague from Brant-Oxford-Norfolk who mentioned his concern about the composition of the human rights commission. We do not want to be too harsh towards any



individuals, but I think there could be some improvement in the composition and in the initiatives to be taken by the commission.

Some of us have often felt the commitment on the part of the government towards human rights was less than enthusiastic in spite of the legislation. It is all very well to say the legislation is on the books, but the legislation is only as good as the capacity or the goodwill of the individuals involved in the processes. We have all heard the statement that some of the best constitutions exist in some of the Iron Curtain countries. That is farcical. I do not want to make such a comparison, but the commitment of the government must be not only in the field of legislation but also in the composition and direction given by the government to the human rights commission.

I look forward to listening to submissions from a variety of groups when this legislation goes to committee. I think some accommodation will be required on the part of the business group. I have a tendency to support the recommendations of the handicapped in the province who feel it is not enough to say we will make it illegal to discriminate. In some areas we will have to go a step further towards reasonable accommodation. It would seem to me without some mention of reasonable accommodation as part of our law it will be too easy for individuals or corporations to find a loophole to get out of the requirements of the legislation.

It is important when the government brings forward this type of legislation to have people on the commission who are able to give proper direction. The government also should consider certain areas of attitude and what happens to various minorities. I am not referring to the same type of discrimination as when we talk about the francophone minorities in the province, but the fact remains it is a question of attitude.

In situations as volatile as elections there is the type of thing that was tried in the Carleton by-election, and what I talked about in the throne speech debate about giving one type of publicity in the English-speaking ridings and another type in the French-speaking. When the government continues in some measures to refuse to legislate the rights of certain groups in the province by having double standards it is awfully difficult for it to have credibility on such issues.

It is not enough to bring forward this legislation. It is important that in doing so the govern-

ment set an example by its own legislation and by its actions towards a variety of groups across the province.

**Mr. Charlton:** Mr. Speaker, I am going to try not to be too repetitive because there have been a lot of things said and a lot of good points made—a number of things I probably would have said myself. I will start out by saying most of us here are happy to see most of the things in this bill. All of us here, including probably all the members of the government party as well, can find some things we feel are missing from the bill.

I suppose when the member for Ottawa East (Mr. Roy) made the point that we tend to deal with human rights and the granting of human rights when society reaches a point where it perceives a particular thing as being discriminatory, he is very valid. This is probably the real problem with this kind of human rights legislation.

It is a situation where, although we talk about rights and freedoms in this society, we as a Legislature and as part of this society find ourselves regularly and continually in a position where we only grant those freedoms and rights which have evolved to a stage where society recognizes the need for them and recognizes them as a discrimination against someone or some group. We find ourselves in a position where we cannot sit down and decide what basic human rights there should be and grant them to everyone across the board. We are probably far from being able to reach that situation.

It seems to me the discussions about human rights have been going on for some centuries and will continue to go on for several more centuries. For every individual, group or situation in society we eventually decide is being discriminated against and for which we decide to legislate some rights, there will be those of us who think of others and say, "Hey, you have remembered the handicapped, but you have forgotten another group or another situation."

To some degree I find the approach we take to human rights a little offensive simply because the approach we take is itself discriminatory. There are a number of the specifics of the way this debate has evolved over the past couple of years that I also find somewhat discriminatory and somewhat ironic as well. In the case of the disabled, for example, it is all well and good that we are here and that everyone in this House is happy we are dealing with the disabled in this bill. But as many of the others who have spoken in this debate have mentioned, it is just not good



enough to grant these so-called human rights to the disabled in employment, in accommodation and so on under this legislation if we are not prepared to make the real and total commitment to see that all of the kinds of discrimination the disabled in this province face are eliminated, at least over time if not immediately. In most cases immediately is probably impossible.

I would like for a few moments to throw out a few examples of what I am talking about. I have heard a few other examples thrown out, but I went through a situation last spring and summer with a young handicapped gentleman in Hamilton, a gentleman who happened to appear on the front page of the Hamilton Spectator within the last week or two. Many of you inadvertently may have seen him out on a jogging exercise in his wheelchair.

This young gentleman is a paraplegic. He is 27 years old. He had reached that point in his life where his father was dead and his mother's health was deteriorating at such a rate that she could no longer look after the home they lived in—a home, I might add, which had been renovated to accommodate his handicap and in which he could look after himself fairly adequately. But as a result of a recommendation by his mother's doctor that because of a heart condition and other areas of failing health she should get rid of the house and get into a senior citizens apartment, this young fellow found himself in the situation of either having to find accommodation for himself or ending up in an institution.

**5:40 p.m.**

He dreaded in a very dramatic way the thought of ending up in an institution for two reasons: first, he felt that if he were institutionalized most likely that would be his life for the rest of his life; and second, he felt that he was capable of far more than that. In fact he was right. We went through a process of some six or seven months of desperately looking for suitable accommodation for this young man in a situation that he found almost stupid. Again I would have to agree with him.

The city council in Hamilton some three years ago had voted \$100,000 to make renovations to accommodation in Hamilton to provide up to 50 units for handicapped people. That \$100,000 was still just sitting there unused some two-and-a-half years later. We went through a very hasty process of scrambling around the city of Hamilton—myself, a number of people from the regional subcommittee on the handicapped

and some professional people from the Ministry of Housing. I have no criticism of the efforts they put forward in trying to find accommodation in the city of Hamilton that we could use some of this \$100,000 to renovate to accommodate this handicapped person—a person who in the right situation is perfectly capable of looking after himself.

We went to private landlord after private landlord after private landlord trying to find, first, a landlord who was willing to allow some of the units in his building or one of the units in his building to be modified, and second, a landlord whose units were modifiable. We found that in 99 per cent of the cases this society had not built the kind of rental accommodation which was suitable for renovation and accommodation in the first place.

We did find some landlords who were prepared to allow the modifications, but we could not find a landlord who was both prepared to allow the modifications and had accommodation that could be modified to be suitable. So we found ourselves in a totally ludicrous situation where we had money that we could use and we had a commitment by the Ontario Housing Corporation and the Hamilton housing group to subsidize the rents once the modifications were made, but we could not find a place to do it.

This young gentleman ended up in a modified unit in a senior citizens building. He is 27 years old, and I do not think it is a particularly appropriate or happy situation for him to find himself in, but it is a reality. It is an example of how, although these amendments dealing with the disabled are welcome, they still do not deal with the real root problems that handicapped people out there in this society face. Unless this government is prepared to make a fairly substantial commitment in all of those other areas that affect the handicapped then these amendments will end up being meaningless.

I will give a couple of other examples just quickly: the chronic care charge, for chronic care beds, which the Ministry of Health of this government imposed some two years ago. At that time, I, the member for Hamilton West (Mr. Smith) and a number of other members from the city of Hamilton visited the continuing care unit at Chedoke Hospital and spoke with a number of paraplegics, quadriplegics and people affected by a whole range of different diseases and physical problems, all of whom were confined to wheelchairs. These people find themselves discriminated against by this



government, yet this government is proposing legislation to ban discrimination against the disabled.

The chronic care charge on chronic care beds and the way that process is set up so badly discriminate against these kinds of people, yet one would think a government and a minister who can present this kind of legislation could be as understanding in all of the other things it does.

A group of these people at Chedoke had, with their own money, over a number of years set up a radio room at Chedoke. All the equipment in that radio room, with the exception of a couple of rather expensive pieces that were donated by local industry, was bought with their own money, money they no longer have as a result of actions by this government.

Other speakers here today have mentioned the problems the handicapped have with transit and the cost of transit for the handicapped. Unless this government is prepared to deal with all of those kinds of issues, then all of the sections in this bill will be meaningless in terms of eliminating discrimination against the handicapped.

It is all well and good to say that you cannot discriminate against the handicapped in employment if they are capable of doing the work. But unless the government is prepared to make a commitment in terms of dealing with access, in terms of dealing with who is going to pay the cost of providing access and whose responsibility it is, then the question of whether a handicapped person is capable of doing the work in many cases will become irrelevant.

The person may be able to do the work, but if at the time he or she is applying for the job there is no access to the premises and to the change rooms, the showers and the washrooms and the different areas in the premises, then because of the circumstances that handicapped person is not going to get the job anyway. As I said, a number of these things have been mentioned.

There is the same problem with the section in this bill that deals with domestic employees. I beg for the minister's attention for just a moment on the question of domestic employees. Nobody is unhappy to see this section in the bill, but I recall discussions in this House a year and a half ago, when the minister promised a major package dealing with all of the bills and all of the discrimination against domestics in legislation in this province, including this bill, the Ontario Human Rights Code, the Employment Standards Act, the Labour Relations Act and the Workmen's Compensation Act.

The minister promised us a comprehensive package to deal with the problems domestics have, and all we have had to this point is this small amendment and regulations that the minister put in place by order in council last winter. Those regulations provided them with some new benefits but did not deal with all of the problems they had under the Employment Standards Act.

This is the same situation. Unless the government is prepared to deal with the discrimination that exists in legislation against domestic employees in Ontario, then to grant them rights under this act will be irrelevant for all intents and purposes if they cannot deal with the real day-to-day economic and social crises that confront them because they are discriminated against in legislation.

5:50 p.m.

The same is true for women. Until the day comes when this government is prepared to deal in a serious and straightforward fashion with the questions that confront women in accommodation, borrowing, employment and their ability to earn while in employment; until it is prepared to take on the questions of affirmative action, equal opportunity and equal pay for work of equal value; how can it provide full human rights for women in the work place if what they receive does not adequately represent their full contribution to the process in which they are involved in the industry or agency for which they happen to work?

Basically, the same is true in the area of sexual orientation. It is a real shame that the question of including these sexual orientation amendments in this bill, instead of being a human rights question of whether we treat homosexuals, heterosexuals, bisexuals and asexuals the same as human beings in terms of employment, accommodation and other basic human rights, has become one of allowing, sometimes for political reasons, the debate around inclusion of sexual orientation to degenerate into whether including sexual orientation in the act is and/or will be an acceptance of a lifestyle, of a way of life, of a sexual preference that is not yet acceptable to the majority in this society.

It is unfortunate we have allowed that to happen, because the case of sexual orientation of homosexuals is no different, in terms of the human rights we are trying to provide, from trying to provide them now to the disabled.

Obviously, at some time in the past when we were discussing human rights the disabled had not yet reached the level of public understand-



ing and acceptability in terms of their capabilities and their basic need to have the same human rights as any other human being. That was not acceptable either and they were not included in amendments passed by this House prior to this time. I guess that goes back to what I said at the outset. By dealing with human rights only when a specific group or situation reaches a level of public knowledge and understanding which the public perceives as discrimination against a particular group or whatever the case happens to be, by dealing in that specific, limiting way, we create a situation where this process most likely will never end. Some time in the future we may be striking out some of the people we have given coverage to and adding new ones. It is the wrong process. It is a process that will cause us problems for as long as there are legislators and one we should be thinking seriously about getting away from.

We will be dealing with a number of issues, as my colleague the member for Scarborough West (Mr. R. F. Johnston) has pointed out, in terms of amendments to this bill. One of those amendments will try to deal at least in part with the question of the narrow scope of this legislation as it exists in an attempt to broaden it so that perhaps some of the problems that will confront us in the future can be eliminated now.

I ask the minister and his colleagues on the other side seriously to consider that kind of amendment to this piece of legislation so that we do not have to go through the question of sexual orientation and the present debate as to whether gay rights are acceptable today and whether they will be tomorrow. We all know full well that if sexual orientation is not included in this bill at this time, it will be in the next round. The examples elsewhere will force us to that point.

**Mr. Boudria:** I want to be very brief, Mr. Speaker. I will only speak for a couple of minutes on the bill.

**Mr. Speaker:** That is about all we have.

**Mr. Boudria:** That is fine. I will try to end before six o'clock, Mr. Speaker.

It is interesting to note that the member for Ottawa East (Mr. Roy) explained in his exposé that human rights legislation is quite often a reaction to circumstances of discrimination that we recognize already exist. We recognize that, and it is the very nature of this particular bill.

In looking at this bill, there are certain omissions that are obvious to everyone. One has to question whether those omissions were made

deliberately. The issue of discrimination based on sexual orientation is by far the most obvious one. It may not have been easy for the government to include it. I suggest that a preliminary draft of the same bill may have had such wording in it, and perhaps it was removed later because of certain objections from members of the government party.

It is obvious to some of us when we look at this legislation and we see the specifics in it. When it talks about place of origin, colour, ethnic origin, citizenship and so on, we recognize those are obvious areas where there has been discrimination in the past. Along with the obvious areas, there is an obvious omission. One really has to question what the government was trying to do. I think the government wants to be selective in its freedom from discrimination.

In the text we read, "every person is equal in dignity and worth and to provide for equal rights and opportunities without discrimination that is contrary to law." It is interesting that only two paragraphs below that statement, we see those specifics I mentioned a while ago, again with the obvious omission.

I will turn briefly to the next page in the document which has the following phrase, "without limiting the generality of the foregoing." That phrase is not in part I, where it could be. Why is that same phrase not used when we are discussing race, place of origin, et cetera? If the government did not want to indicate what they would consider embarrassing words, why did they not include that phrase, "without limiting the generality of the foregoing," so that it would be obvious to everyone that there would not be this discrimination based on either group?

**Mr. Speaker:** I direct the honourable member's attention to the clock.

**Mr. Boudria:** One final statement, Mr. Speaker, if I may—

**Mr. Mancini:** We will be here until seven o'clock.

**Mr. Boudria:** No, I will not do that. I will just indicate that, when we are discussing age, to specify age 65 is not what I consider should be done. I do not see why, when somebody has reached a certain number of years after his birth, that should entitle anybody else to discriminate against him. Again, in the bill it is obvious that the opportunities for discrimination on the basis of age are there, once a person has reached the age of 65. I will speak against that further in committee and later, Mr. Speaker, because I recognize the time is here now that we will want to adjourn.

Those are briefly the words I wanted to say on the contents of the bill, specifically on that omission and on the age 65 matter.

On motion by Ms. Bryden, the debate was adjourned.

The House recessed at 6:01 p.m.

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No. 23

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Tuesday, May 19, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

**Tuesday, May 19, 1981**

The House resumed at 8:01 p.m.

## COPIES OF BUDGET

**Mr. Speaker:** I ask the indulgence of the House for the next few minutes while copies of the budget are distributed to the members. I have suggested that three copies be placed on each front desk; if the members would be kind enough to pass copies towards the back, I would appreciate it.

## BUDGET RESOLUTION

Hon. F. S. Miller moved, seconded by Hon. Mr. Davis, that this House approve in general the budgetary policy of the government.

## BUDGET STATEMENT

**Hon. F. S. Miller:** Mr. Speaker, it is a privilege tonight to present my third budget, the 1981 budget of the government of Ontario, a government that recently received a ringing endorsement by the people of Ontario.

**Mr. Bradley:** But your share of the popular vote went down to 44 per cent from 58 per cent.

**Hon. F. S. Miller:** It is still 70 seats to your 34 seats.

Under the leadership of the Premier (Mr. Davis), I am honoured once again to have the opportunity to contribute to the shaping of Ontario's future.

During the 38 years of Progressive Conservative government in Ontario, this province has experienced great economic prosperity and social progress. The province of Ontario is an enviable place to live, to work and to play. In no small measure, this healthy state of affairs reflects the moral fibre and sense of community responsibility of all the people of Ontario, and strong and sensitive government.

The government is committed to ensuring continued economic growth and development for Ontario and to providing quality public services for our citizens.

My budget plan for this fiscal year clearly recognizes these fundamental priorities, while taking into account the need for an appropriate level of revenues. If the province is to continue to provide the high level of services the people

of Ontario have come to expect, if we are to have the flexibility to take appropriate actions to promote economic development and job creation, and if we must do so in an environment of considerable inflationary pressure, then it is vital that we have a more appropriate balance between revenue and expenditure.

This budget sets out a realistic fiscal framework that will encourage the private sector to grow and compete in the international marketplace, maintain the high level of services provided by the province and allow for growth in priority areas, and ensure a financial balance consistent with long-term growth and employment generation.

The members will be aware that persistent high inflation and lower real economic growth are circumstances not unique to Ontario. They are circumstances characteristic of most major energy-consuming industrial economies which rely heavily on export markets for their prosperity. In my view, Ontario has weathered these difficult economic times well.

The resources freed up by our policy of holding the growth in provincial spending below the rate of expansion in the economy have been put to work by the private sector. In 1980, business investment in Ontario increased by 18.8 per cent; investment in the manufacturing sector alone increased by 34.5 per cent. For 1981, intentions call for a further increase in business investment of 17.1 per cent. As well, over the four-year period to 1981, the provincial economy will have created 450,000 new jobs. This government's economic programs have increased investment and have created jobs.

We are thus well positioned to take advantage of the economic opportunities of the 1980s. We are pursuing new directions in investment and entrepreneurship so that the economy remains healthy and continues to provide the stability and prosperity characteristic of Ontario. It is with concern, however, that I view the levels of inflation and interest rates we are currently facing. This government is resolved to meet its responsibilities to limit the debilitating effects of high rates of inflation.

**8:10 p.m.**

We have set an example with our own long-run



strategy to reduce inflation. By encouraging investment, we are expanding capacity and rationalizing industry to make it more competitive in today's world trading environment. By encouraging the use of indigenous energy sources, we are rising to the challenge of inordinate increases in the world prices of energy. By facilitating labour mobility and training, we are adding to the supply of the skills our industries now need.

**Mr. Smith:** You are sending them to Alberta.

**Hon. F. S. Miller:** They need psychiatrists out there.

By controlling the size of government, we are reducing the burden of the public sector, thus freeing up resources for private and personal use.

Unfortunately, our national government appears less committed to this objective. In my 1980 budget and in subsequent statements, I emphasized the need for federal action. I continued voicing these concerns at meetings with my federal counterpart. Let me assure the members that I will continue to urge the federal government to take its responsibilities for economic policy more seriously. Most important, my Premier has called upon the Prime Minister to convene a national conference of first ministers on the issue of inflation and the economy. This will be a most critical forum in which to consider the national options in the light of the causes and risks of inflation in Canada.

We need national policies to foster productivity improvements, to promote exports, to replace imports, to encourage energy substitution. We need a federal government with a controlled spending plan and a reasonable financial balance. We need to ensure that the uneven growth trends across Canada are not reinforced at the expense of the relatively slower-growing provinces. And, perhaps above all, we need to ensure that, as individuals, each and every one of us does not allow inflation to become a way of life. The fight against inflation is a fight that we can all win. I am convinced that with effective, focused federal-provincial policies in this area, we can achieve substantial improvements.

**Mr. Smith:** Such as?

**Hon. F. S. Miller:** We have shown the way. When the member's government friends in Ottawa learn, they will have helped to solve the problem, not to contribute to it.

We talked about positive things during the last election. We did not hammer the people with a negative image day after day after day. It paid off. Don't be jealous over there. It shows.

**Hon. Mr. Davis:** Why don't you ever pout when the cameras are on you, Stuart? Somehow those cameras give you a smile.

**Hon. F. S. Miller:** The Leader of the Opposition has a new cue; it's "Smile."

**Mr. Speaker:** The Treasurer will continue, please.

**Hon. F. S. Miller:** I would now like to discuss the important components of the government's economic and fiscal strategy.

The members will recall that on November 13, 1980, I introduced a \$260-million package of supplementary actions to stimulate the Ontario economy.

Foremost in the program were temporary retail sales tax cuts designed to impact selectively in specific sectors where economic performance was weak. The exemptions on purchases of major household appliances, new residential furniture and selected building materials, and a rebate of sales tax on purchases of new light trucks and vans, were all designed to boost sales and production in these important areas of our economy.

While it is too early to present a detailed analysis of the economic impact of those measures, I have already received encouraging signals of their beneficial effect. According to the preliminary information, Ontario's share of total Canadian sales of the exempted products has increased. This strong sales performance has important implications for both production and employment in Ontario. It is my view that this performance reflects the timely and appropriate actions by this government.

In addition, I am receiving positive comments from business that new jobs have been created and others retained in manufacturing, distribution and retailing. Retail inventories and operating costs are being reduced, thus improving liquidity. We can anticipate that in the coming weeks we will see further substantial gains as consumers of this province take advantage of the measures before the expiry date of June 30, 1981.

There are significant delays between the placing of orders and the actual production and delivery of new furniture. Buyers of residential furniture will appreciate that because of that, I am granting a three-month extension of the delivery date to September 30, 1981, on purchases of residential furniture contracted for by the end of June. This extension will ensure that the intended benefit is provided to purchasers

of residential furniture who are unable to take delivery within the prescribed time. The cost of this extension is \$10 million.

I would now like to discuss the Board of Industrial Leadership and Development established by my Premier last November to co-ordinate and implement Ontario's economic development strategy. This committee of cabinet now consists of nine ministers working together—something Liberals have never learned to do—to fulfil that task.

The BILD development plan released in January detailed a wide range of potential development projects. Thirty-two projects were sufficiently developed that the details of their implementation could be announced during February and March. Others have been introduced in recent weeks. Within the current fiscal year, this government expects to have a total of 50 BILD projects fully operational.

**Mr. Breithaupt:** What about the other 20 ridings?

**Hon. F. S. Miller:** I could take the honourable member to a furniture plant in Kitchener that is very happy to have this extension; it was very happy during the winter months not to have had to lay off a single person, whereas during the year before it had to lay off many. People in Kitchener appreciated this policy.

**Ms. Copps:** How will they pay their OHIP premiums, the 15 per cent increase?

**Hon. F. S. Miller:** If there is anybody in need of OHIP premiums, my dear, it is you.

The response to the BILD development strategy has been tremendous. Individuals, companies, industrial associations and municipalities have come forward with ideas and money to invest. Ontario's initiatives have touched responsive chords in agriculture, mining, manufacturing, recreation—in fact, in all sectors. I am encouraged by this widespread interest and support.

**8:20 p.m.**

We seek a co-operative partnership with Ottawa on development initiatives. The Premier presented a number of specific proposals to the Prime Minister, and I have met with some of my federal counterparts, as have other BILD ministers. We are not satisfied that Ottawa is moving quickly enough on the economic problems ahead of us. Their action is needed urgently.

**Some hon. members:** Oh, oh!

**Hon. F. S. Miller:** Listen, the other day they

came down here and said they did not know what they wanted to do; they did not know anything specific. Ours are specific. Our money is there. We are ready to act.

Interjections.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** As chairman of the Board of Industrial Leadership and Development, I am pleased to report significant progress in the implementation of BILD projects in each of the six priority areas outlined in January. I would like to take this opportunity to highlight some of the BILD initiatives which are already well under way:

**Electricity:** We announced in the BILD development plan a request of Hydro, which has been confirmed by Hydro, that the completion timetable for the Darlington nuclear generating station should be accelerated to the maximum extent feasible.

**Mr. Nixon:** Isn't it strange they went along with that request?

**Hon. F. S. Miller:** If the honourable member will wait a second, I will give him the answer to that, because it says the new schedule will save Hydro an estimated \$60 million in coal costs—

**Mr. Smith:** How many hundreds of millions in interest?

**Hon. F. S. Miller:** —coal that would have created acid rain, my friend—and will help to curb emissions all across this province.

**Ms. Copps:** Are you going to cut hydro bills?

**Hon. F. S. Miller:** Is the new voice for Hamilton the only voice for Hamilton speaking loudly enough?

Interjections.

**Mr. Speaker:** The Treasurer will please continue.

**Hon. F. S. Miller:** A wide-ranging residential electrical services program to encourage Ontario home owners to make their houses more energy-efficient and switch in whole or part to electrical heat is being designed. During this fiscal year, legislation will be introduced to empower Ontario Hydro and the municipal electric utilities to permit home owners to take full advantage of the electricity option, particularly heat pumps. As well, construction of the first stage of a steam supply system at the Bruce nuclear power development will commence this year to service the Bruce Energy Park.

**Mr. Haggerty:** Tell us about that locked-in power that is costing the taxpayers \$1 million a day.



**Hon. F. S. Miller:** I am glad to go up into the Bruce and talk about this program any time. I find they are reasonably receptive in the Bruce.

This project capitalizes on our past investment in nuclear power to move us into a new era of energy parks.

Transportation: Construction and design work worth \$25 million will take place this fiscal year on a long-term schedule of radial road improvements to accommodate increasingly heavy traffic in the Toronto-Niagara corridor. As announced in the BILD document, additional investments of \$30 million have already been made in Ontario's Urban Transportation Development Corporation to create production facilities in Ontario for UTDC's high-technology transit systems—which the members opposite laughed at day after day after day only to see us become the world leaders.

Interjections.

**Hon. F. S. Miller:** Is the member for Hamilton Centre in favour of rapid transit in Hamilton or is she not? She had better speak up, because we need to know.

**Ms. Copps:** We are not the guinea pigs in Hamilton for UTDC.

**Hon. F. S. Miller:** She is against it. If she is against it, and I think she is—

**Ms. Copps:** Yes, I am. I would like to see it in your riding; you put it in a Liberal riding.

**Hon. F. S. Miller:** I give up!

**Mr. Speaker:** Order, please. The Treasurer will please continue.

**Hon. F. S. Miller:** The three main Ontario shipyards on the Great Lakes have responded very positively to the BILD initiative to improve their drydock facilities. Their financial participation, plus Ontario's investment commitment, establishes the partnership for negotiating a firm deal with the government of Canada.

Resources: A full-scale fruit and vegetable storage program will commence this year to upgrade and expand the present storage, grading and packing facilities of Ontario's food growers. The tremendous early response to this initiative suggests that we will see a large number of specific projects begun this year. BILD forestry initiatives, which we have brought to advanced stages of implementation, include the construction of forest seedling cultivation centres in northern Ontario and the Ontario Institute for Biomass Research at Maple. A \$10-million program of construction of custom

gold sampling and milling facilities will commence this year in the gold mining areas of Ontario. A five-year program—

**An hon. member:** Why should we believe you?

**Hon. F. S. Miller:** The member may not but the people of Ontario do.

A five-year program to establish drill core facilities across the province will also be initiated.

Technology: Legislation has been introduced for the centrepiece of the government's research and development initiatives, the IDEA Corporation. Its function will be to bridge the gap between public and private sector research activity, and to stimulate research and development in areas of critical importance to the Ontario economy, including auto parts technology, microelectronics, computer-aided design and manufacturing and robotics.

I am pleased to report that 25 companies have already signed up to participate in BILD's international intern program, which will assist the development of Ontario's international marketing skills. Major strides can be anticipated in strengthening research and development through Ontario's Buy Canadian policy and office of procurement policy.

People: Funds have been allocated to enable a significant expansion in the government's training in business and industry program under my competent friend the Minister of Colleges and Universities (Miss Stephenson)—

**Mr. Sweeney:** College presidents don't think so.

**Hon. Mr. Davis:** Oh, but that is where you make your mistake, Brother Sweeney. You should listen to the people.

**Mr. Sweeney:** I am listening.

**Hon. F. S. Miller:** He needs to go to an otolaryngologist to discover he cannot hear anything. If it were only wax in his ears, I would not be worried.

Funds also have been allocated to provide a major increase in financial resources for the colleges of applied arts and technology in support of the purchase of new equipment. The commencement of another BILD initiative—youth employment counselling centres—has recently been announced.

Community: As part of the province's commitment to assist rural communities in securing industrial and commercial opportunities, the government has already dedicated funds to the areas of Collingwood, Huntsville and Ed-

wardsburgh for sewerage and water works. Drawdown of BILD funds will also commence this year in support of the construction of new convention centres in Ottawa and Toronto. Finally, to foster local self-help initiatives, the government is entertaining proposals from groups in small communities to aid in the establishment of community development corporations.

**8:30 p.m.**

On the basis of the projects already considered, I estimate that the BILD initiatives committed for commencement this year will constitute more than \$250 million in economic development investments. Of this amount, the BILD central pool of funds will provide \$150 million—

**Mr. Cassidy:** One quarter of one per cent; that is all.

**Hon. F. S. Miller:** That is roughly what the honourable member got in the popular vote—and that was only in the NDP.

**Mr. Foulds:** Your mathematics are all wrong.

**Hon. F. S. Miller:** BILD, in encouraging new businesses and small businesses, is setting major new directions for the provincial economy. The creation and expansion of Ontario small businesses will be vitally important to sustaining this momentum. People who take an idea and build it into a successful business are the backbone of the economy. Much of the new job creation in this province occurs in the small business sector. But risks are high.

Ontario has undertaken several tax actions in recent years to encourage the formation and expansion of small businesses. Taxes on income and capital have been lowered and investment tax credits provided to increase internally generated funds. Access to outside risk capital and managerial expertise has also been improved by the creation of the small business development corporations. I recall very clearly two years ago announcing them and hearing from the benches over there just how foolish I was to try them, because they would not work.

SBDCs are a growing success. In the space of only two years more than 140 SBDCs have been registered in the province. Already they have invested \$40 million in small businesses. This substantial new capital has been used by small businesses to start up production, to increase working capital and to reduce the burden of interest costs. In turn, this activity has increased employment and encouraged others to increase their financial interest in small businesses. Funds

have been invested all over Ontario in enterprises engaged in a wide range of manufacturing, processing and tourist activities.

I now propose certain improvements to the SBDC program.

First, to encourage more individuals to become involved in the program and to stimulate the development of widely held SBDCs, the maximum equity capital will be raised to \$10 million from \$5 million for public SBDCs.

**Mr. Sargent:** Big deal. The Treasurer gave Steve Roman \$7 billion, and he is going to give \$10 million to small business.

**Hon. F. S. Miller:** I will be glad to take the member's application at the gate.

**Mr. Sargent:** You'll be lucky to get it.

**Hon. F. S. Miller:** If we make a proper credit evaluation, the honourable member probably will not.

However, an SBDC will not be able to invest more than \$5 million of its equity capital in any one eligible small business. Second, the definition of eligible tourist activities will be expanded to include recreational facilities and certain other attractions.

**Mr. Cassidy:** Does that mean Santa's Village?

**Hon. F. S. Miller:** I am no longer in that.

In addition, I am proposing certain other amendments, which are outlined in appendix C to this statement.

The SBDC program and the Ontario mineral exploration program, which was introduced last year, have helped to provide exploration funds for potential mineral producers and expansion funds for small businesses. However, I am still concerned that the need for development funds is not being met in the public market. I am hopeful that with the co-operation of the Toronto Stock Exchange and the Ontario Securities Commission a system for a new venture capital listing on the TSE will be developed. I was encouraged by recent proposals made by the TSE in this regard, and I will support initiatives to assist corporations in the early stages of development to gain greater access to funds from the public market.

Finally, to further assist Ontario's small businesses, I would like to announce that we will parallel the federal government's tax treatment of small business development bonds. I believe this is a useful way in which to help small business cope with today's high interest rates.

It is vitally important to the success of our economic development initiatives that Ontario maintain an attractive investment climate.



I am not making any earth-shaking revelation when I say that Ontario must compete for industry if our resources are to be effectively utilized, and that we need to attract foreign capital to ensure our investment requirements are fully met. There can be no doubt that our infrastructure and services easily pass the test of world standards, but it is just as important to maintain competitive costs and taxation structures.

Tax competition appears to be increasing, particularly vis-à-vis the United States and some of our sister provinces. Canada's corporate taxation provisions and the indexing of the personal income tax compare very favourably with measures proposed for the United States. I am confident that Ontario will remain competitive on the tax front, but I will continue to carefully follow tax developments in competing jurisdictions.

In the Canadian context, however, I am concerned about the potentially destructive implications of excessive tax competition among the provinces. This is a serious matter to which federal and provincial finance ministers must devote their early attention. A certain measure of harmony in provincial tax structures is important. Ontario's concerns in this regard are outlined in budget paper B, and I refer the members to it.

Let me turn from economic growth to the government's other major priority, that of providing quality and accessible services for the people. Economic growth and social progress go hand in hand. Ontario has well-developed transportation systems, modern services such as sewerage and water facilities, good housing, one of the best health care systems in the world, and educational excellence in our facilities and programs. As well, the elderly receive substantial recognition for their service to society.

For this fiscal year, the government has set spending at \$19.4 billion. This represents an increase of 12.2 per cent over the previous fiscal year. Although somewhat greater than increases in recent years, it is a realistic allocation in the light of the sensitivity of government spending to inflation. It continues to reflect the government's commitment to providing a high level of services without disturbing the balance between private and public sector growth.

Within this allocation, health care remains a priority. Over the past six years, health spending has increased from 27.2 per cent of our total budget to 28.7 per cent. For 1981-82, the province has provided a sizeable increase in the

funding for basic services. Provision has been made for a further expansion of chronic home care and for new extended care beds. As well, a telemedicine service will be introduced and a start made on the northern air ambulance service. Also, the provision for computerized axial tomography scanners will be expanded, and perinatal service improved. Continued expansion of hospital chronic care facilities will also take place.

**Mr. Cassidy:** How many hospital beds are you going to cut? Why isn't that in the budget?

**Hon. F. S. Miller:** My friend across the floor can go anywhere else and ask them what they think of Ontario's health care service and will hear that we are the model for North America.

8:40 p.m.

**Mr. Cassidy:** We have the highest premium rates in Canada—\$400 a year.

**Ms. Copps:** What about OHIP rates? They are the highest in Canada.

**Hon. F. S. Miller:** My mike isn't picking you up. A little louder, please.

**Mr. Speaker:** The Treasurer will continue, please.

**Hon. F. S. Miller:** The province's commitment to disabled persons will be further reinforced in this International Year of Disabled Persons. Funding of major programs for the disabled will rise from \$499 million in 1980-81 to \$593 million this year. This represents an increase of \$94 million, or 18.8 per cent, including \$28 million for the developmentally handicapped and an equivalent amount for special education.

We are continuing our focus on creating youth employment and providing for opportunities for training. In 1981-82, expenditures on job development will continue to be a priority. This area will be allocated approximately \$185 million.

Other initiatives contained in the 1981 expenditure plan are: provision for new subsidized day-care nurseries; a renovation and expansion program for homes for the aged which is expected to cost \$40 million over five years on a shared-cost basis with municipalities; provision of \$3.3 million for bulletproof vests for the Ontario Provincial Police and municipal police forces; assistance towards construction of 15,000 new rental units under the Ontario rental construction loan program (the interest-free second mortgage loans to developers of up to \$4,200 per unit will require an estimated outlay of \$63 million over five years); subsidizing mainte-

nance of municipal drains associated with agricultural drainage at a cost of \$2 million; and the opening of a new agricultural college for Franco-Ontarian farmers in 1981-82 to provide agricultural instruction in the French language.

**Mr. Bradley:** Is that all you're giving René Piché? You'll have to fly him to Cochrane North to apologize.

**Hon. F. S. Miller:** Unlike the federal Liberal Party, we do not suddenly cancel projects after an election when we lose the seat.

Mr. Speaker, I am confident the 1981-82 expenditure plan, developed in co-operation with the Chairman of Management Board and my other cabinet colleagues, is both appropriate and realistic.

**Mr. Gordon:** You'd nationalize everything, wouldn't you, Floyd?

**Mr. Laughren:** How many pieces of silver, Jim?

Interjections.

**Mr. Speaker:** Order. I ask the members from Sudbury not to engage in a private debate. I also ask the indulgence of the members; if you do not want to listen to what the Treasurer has to say, there are lots of people in the public galleries who do.

**Hon. F. S. Miller:** It's great to hear from Sudbury from our side of the House.

Important new initiatives have been taken on a number of fronts. The planned expenditure growth rate recognizes the implication of inflation on costs but ensures that provincial spending does not fuel inflation. And allocations among programs reflect the shifting priorities and meet the needs of our society.

The members will be aware of the considerable support we provide to local governments. For example, last year the government provided a generous increase of almost 12 per cent in assistance to the local sector with the result that mill rates increased by only seven per cent on average. As a result, property tax increases were held considerably below the rate of inflation.

Earlier this year, the government announced details of the 1981 local government transfers. Support for 1981 will be in excess of \$4.7 billion, an increase of 10.6 per cent over last year. I fully recognize that inflationary forces have made it difficult for local governments to contain expenditure growth, but I am confident they will have reviewed their expenditure plans carefully and ensured that increases in local tax rates will remain below the rate of inflation and the rate of growth in household income. In other words,

the average real burden of property taxes should not rise and, in fact, will remain well below the burden in the early 1970s.

I would like to remind the members that the government's gradual approach to the reform of the local taxation system is working well and is producing meaningful progress without unacceptable tax shifts. Two hundred and forty-six municipalities and communities have already been reassessed by their own request under section 86 of the Assessment Act, and a further 39 have been reassessed at full market value.

I am proposing tonight a further step in the government's overall reform of property taxation. This reform relates to farm and managed forests.

**Mr. Riddell:** This is where the farmers get it in the ear. The farmers are going bankrupt.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** Will the member please go back to sleep?

**Mr. Speaker:** Will the Treasurer please continue?

**Hon. F. S. Miller:** In my opinion, farm residences should be treated the same way as other residences and appropriate recognition should be given to the contribution made to our economy by farm land and the buildings on the one hand and managed forests on the other. Accordingly, I propose the following approach.

Full exemption will be provided from property taxation for defined farm land and buildings and for managed forests—

**Mr. Nixon:** This is going to cost us money.

**Hon. F. S. Miller:** That does not cost farmers money. That means farmers and people who own treed forest lots will pay no local taxes.

**Mr. Riddell:** It will increase the farmer's tax bill.

**Hon. F. S. Miller:** Farm and managed forest tax rebate programs would be eliminated, and one of the reasons for doing that is that the federal government will begin to tax these rebates this year.

**Some hon. members:** Shame.

Interjections.

**Mr. Speaker:** Order. The Treasurer will please continue.

**Hon. F. S. Miller:** Municipalities and school boards would be compensated for taxes forgone through those exemptions.

There are a number of significant issues—

**Mr. Smith:** You missed the third one; read the third one.



**Hon. F. S. Miller:** That happens to be the truth now and, if the member would like me to read it, I will be glad to go back to it. I am glad he is able to sound the words.

Farm residences would be treated the same way as other single residences for property tax purposes. I had already said that earlier.

There are a number of significant issues which will have to be resolved before this approach can be implemented. Unlike the members on the opposite side, I intend in the very near future to discuss the proposal in detail with interested parties, including the farming community and its representatives, foresters and local governments. Provided any concerns are brought forward in the discussions, and provided they can be met, I anticipate that the new property tax system for managed forests and farms can be in place by as early as the 1982 taxation year.

**8:50 p.m.**

The government's approach to determining an appropriate property tax burden is an important consideration for farmers. Let there be no doubt that this government fully recognizes the importance of the farm sector to the Ontario economy and the substantial contribution of the farming community.

**Mr. Riddell:** That's a joke. He is a bigger clown than I thought he was. Even the Minister of Agriculture and Food (Mr. Henderson) won't go out in the farm community.

**Mr. Speaker:** Order. Will the Treasurer please continue.

**Hon. F. S. Miller:** In this context, I and my colleague the Minister of Agriculture and Food are examining the structural problems of the agricultural industry with its high capital requirements and cyclical incomes, and we will take what steps are necessary to ensure our farm sector remains prosperous.

I would now like to discuss federal-provincial matters and pension reform.

As the members will recall, the federal Minister of Finance has given notice of his intention to seek significant savings from the renegotiation of major federal-provincial fiscal arrangements. This approach is part of a broad strategy to reduce the chronic federal deficit.

In six short years, the federal government has more than doubled its budgetary deficit to some \$14 billion, seriously damaging the economic confidence of this country in the process. I obviously support Ottawa's belated efforts to bring its budget under control. However, I

hasten to add that for a number of valid reasons we believe large-scale retrenchment in fiscal transfers to the provinces is both unjustified and unwise.

In the first place, federal transfers to the provinces are not the root cause of Ottawa's fiscal difficulties. The federal government withdrew the very large revenue guarantee payments to our provinces in 1977, scaled down other transfers in the 1978 restraint program, and in 1980, without notice, terminated the \$250-million community services contribution program.

Second, through its energy policy, Ottawa has already much enhanced its current revenue position and prospects. How many of the members have written to us about that topic? They should go back and check their files. How many of them have asked us to support them? All of them have.

**Mr. T. P. Reid:** Did the Treasurer ever hear of the Edmonton Commitment?

**Hon. F. S. Miller:** The member for Rainy River should talk to his brother.

Ottawa has already much enhanced its current revenue position and prospects, while taking the fiscal sting out of its oil import compensation program.

Third, significant reductions in the major federal-provincial transfers would further heighten the already serious and rapidly growing fiscal disparities among the provinces.

It is apparent the federal government is giving serious consideration to fundamental alterations in established programs financing, under which provinces receive assistance towards the costs of health programs and post-secondary education. This fiscal agreement took many years of negotiation and became a milestone hailed by both levels of government. Experience to date underscores that the EPF has operated much as expected and is fundamentally sound. It was put in place as a long-term arrangement and should be viewed as such.

In my 1980 budget statement, I drew the attention of the members to the fact that one of the cornerstones of our federation, the federal revenue equalization program, is in need of major reform. This important program's reputation suffered considerably when its formula produced large entitlements to Ontario. Only through special legislation could Ottawa avoid paying more than \$1.3 billion to this province.

Ontario is greatly concerned about the future of the equalization program. This government cannot accept the continuation of the program

in its current form, nor can we accept Ontario's exclusion from entitlements without a fundamental solution to the problem of regional fiscal disparities. These disparities are so large that normally healthy interprovincial competition could deteriorate and lead to destructive protectionism and loss of national economic strength.

I am tabling today budget paper B on the renegotiation of the federal-provincial fiscal arrangements. This paper, together with last year's budget paper on equalization and fiscal disparities, presents a comprehensive Ontario perspective on this important subject.

**Mr. Peterson:** Has the minister read it? Does he understand it?

**Hon. F. S. Miller:** I have. I helped write it.

**Mr. Peterson:** I do not believe that.

**Hon. Mr. Davis:** Listen, just because the member opposite does not understand it does not mean he should assume that the minister does not.

**Mr. Speaker:** The Treasurer will carry on, please.

**Hon. F. S. Miller:** Since 1975 this province has urged public sector restraint in Canada. We have acted accordingly in our own fiscal planning over this period and substantially trimmed down spending growth rates and the size of our bureaucracy. I therefore would like to emphasize that federal transfer cuts would in all probability necessitate increased provincial taxes to maintain service levels.

Another federal-provincial matter of considerable significance in Ontario is pension reform.

In April, the federal government convened a national pensions conference to explore ways of reforming the pension system. The members will be aware that, although this conference was called by Ottawa, the jurisdiction over pensions is primarily provincial. The Canada pension plan, which is enacted and administered by the federal government, recognizes this important fact. No change to the terms of the Canada pension plan can be made without the consent of two thirds of the provinces representing two thirds of the population of Ontario.

Interjections.

**Hon. F. S. Miller:** Of Canada. It is a Freudian slip. It is 10 to the sixth.

Several observations emerge from the national pensions conference. First, it is clear that the federal government regards pension reform as a high priority. Second, unless effective improvements can be made to private sectoral arrange-

ments there will be strong pressure to expand the Canada pension plan. Third, it is imperative there be a co-ordinated effort by the provinces to develop a uniform approach to pension reform.

Ontario has been a leader in the pension field. This province was the first to enact pension legislation when it introduced the Pension Benefits Act in 1965. In 1977, the government established the Royal Commission on the Status of Pensions in Ontario, whose 10-volume report I released in February. The report provides an exhaustive analysis of the problems currently existing in the pension system and sets out possible responses to its 163 recommendations.

Although it will be neither possible nor desirable to implement all the recommendations, the findings of the royal commission will form the foundation for our reform in Ontario. There is a fundamental premise in the report which is heartily endorsed by this government, and I quote:

"There is general agreement that retirement is an individual matter and that ultimately the individual is responsible for his or her own retirement. . . Individual needs and desires require flexibility which cannot be given by group programs or universal social programs."

In dealing with the reform questions, there are six guiding principles which will govern the direction of our reforms.

**Mr. Martel:** There is no use in having a select committee, then.

**Hon. F. S. Miller:** First, the principal vehicle for reform should be the private sector. Only the flexibility of the private sector can meet the needs of the individual and his or her desires.

Interjections.

**Hon. F. S. Miller:** It has done a very good job. The member opposite is totally wrong. He has his figures backwards.

**9 p.m.**

Second, reform must recognize the special needs of the existing lower-income elderly. I do not believe the private sector will be able to resolve that problem. Therefore, governments, both federal and provincial, must be prepared to take initiatives in that area.

Third, reforms in the private sector should reflect the perspective of the majority of Canadians that pensions are deferred wages. This means we will have to improve vesting, have a fairer allocation of employer contributions and a system to provide for portability.

Fourth, reform can be effective only if there is



co-ordination of pension legislation across Canada. We will be encouraging the provinces to work together in developing pension reform plans to ensure this necessary measure of uniformity.

Fifth, we must take into account the special needs of women. For example, many women are excluded from participation in pension plans because they are employed on a part-time basis.

Finally, and this point is of great importance, the costs of reform must be within the ability of government, the taxpayer and the private sector to carry.

Our actions with respect to pension reform must recognize that the most important foundation for a secure pension system is a healthy economy. A select committee of the Legislature will be appointed to assist the government in its deliberations on pension reform.

This leads me to the fiscal plan for 1981-82. As I have already indicated, expenditures will grow by 12.2 per cent. This rate of increase is below the forecast expansion of the economy of 13.6 per cent. Consequently, provincial spending will decline relative to the gross provincial product for the sixth year in a row, to 15.5 per cent from a high of 17.5 per cent in 1975.

Interjection.

**Hon. F. S. Miller:** It is not in my script. I challenge the member to look in budget paper C. He would realize that Ontario raises fewer taxes per person than any other province in Canada except Manitoba and spends less per person than any other province because we have the most efficient government.

As discussed in budget paper A, the ability of the province's revenue structure to generate revenues has been significantly reduced in recent years. However, expenditures are demonstrating considerable sensitivity to inflation. In the absence of tax increases, expenditures of \$19.4 billion this year would push the deficit to \$1.6 billion. This is unacceptable. After careful consideration, I have decided it is necessary to raise \$603 million in additional revenues to limit the deficit increase. As a result, the deficit will be \$997 million in 1981-82.

This level of net cash requirements is well within the capacity of the government to finance from nonpublic borrowing sources. In keeping with our commitment to reduce our reliance on borrowed funds in order to free up capital for private borrowers, for the second year in a row the province will make available \$500 million from the Canada pension plan to Ontario Hydro.

**Mr. Smith:** You are borrowing the rest of it, which you said you should not do.

**Hon. F. S. Miller:** I had a long brief recently from a group that was studying us which said we have not had a deficit in more than one of the last seven or eight years—in other words, if we took our capital spending into account we have always had a surplus. Our deficits have not exceeded our capital investments in this province. If we were accounting like any major industry, we would have been showing a profit in eight out of 10 years.

This long-term financing will be of considerable value to Hydro in a time of crowded capital markets. It represents a sound investment of CPP funds in Ontario's energy future.

Our commitment to balance the budget remains firm, but progress towards this goal must recognize the needs of the economy and of our people. As I have mentioned, the stimulatory actions in the mini-budget will cost more than \$260 million. Over the medium term, I plan for a steady reduction in the level of net cash requirements, and the modest deficit levels projected keep us well within range of that objective. Budget paper C provides details of the medium-term fiscal projections.

**Mr. Martel:** Figures can't lie, Frank.

**Hon. F. S. Miller:** No, they don't, and it is interesting that our budget deficit right now, with all of our debts piled together, is less than one year's revenue. Thirty years ago it was two years' revenue. We have cut our debt in half, relative to our income in that time.

Interjections.

**Mr. Speaker:** Order. The Treasurer will proceed, please.

**Hon. F. S. Miller:** I am trying to, Mr. Speaker. My voice is not equal to the noise.

Interjections.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** As I mentioned before, the revenue needs of the province are not being adequately met by our current tax structure. The inadequacy of revenues reflects to a considerable degree the many tax reductions implemented in recent years. I intend to review the substantial list of retail sales tax exemptions currently available, as well as possible expansions of the base. I anticipate the results of this review will be indicated in next year's budget.

Consistent with this approach, I am proposing tonight only one change to the Retail Sales Tax Act. That is to exempt kits for converting licensed vehicles to utilize alternative fuels.

**Mr. J. A. Reed:** What's so great about that? Even stovepipes are still taxed.

**Hon. F. S. Miller:** Don't laugh, my friend. Last year when I said propane and alternative fuel vehicles would be exempted, somebody said there aren't any. Well, this year there are and next year there will be more because of these tax actions.

This exemption will reinforce the already successful tax treatment that exists for new cars. This action will cost about \$1 million this year.

We are also reviewing crown timber charges. The province's costs of maintaining and protecting forests have escalated sharply, and it is my intention to determine the extent to which these increased costs can be shared with industry.

It would be appropriate at this time for me to report briefly on our review of tax incentives for research and development. Research and development spending in Canada is significantly below that required to meet the federal government target of 1.5 per cent of the GNP by 1985. Inadequate R and D is a Canadian problem and requires a program that is national in scope. I would urge the federal government to act quickly to ensure Canada's needs are met.

We have examined several options for stimulating R and D spending in this province, to encourage both new Canadian investment and greater activity by the multinational corporations. We already have in place generous tax incentives. It is apparent that substantial increases in tax subsidies would be necessary to alter current R and D investment behaviour. Ontario simply cannot afford such measures and I have rejected the idea of granting further provincial tax incentives. Instead, I will ensure that BILD activities encourage research and development in Ontario to the maximum extent possible.

I will now propose a number of necessary revenue-raising measures.

The personal income tax is our most progressive levy and is essential to the overall fairness of our tax system. However, over the past several years, the revenue growth of this important tax has significantly declined. I am proposing that Ontario's rate of personal income tax be increased from 44 per cent of the basic federal tax to 48 per cent.

Interjections.

**Mr. Speaker:** Order. Order.

**Hon. F.S. Miller:** This increase will take effect with an increase in withholding taxes from July 1 onward, so that the effective tax rate for the 1981 taxation year will be 46 per cent. For the typical wage earner, the increase in

withholdings amounts to less than three per cent and will be more than offset by the impact of indexing in the new year. For example, the tax increase for a single taxpayer at \$20,000 of gross income will amount to \$2.25 per week. However, assuming the same level of income for that taxpayer in 1982 and a rate of inflation indexing of 12 per cent, this individual's tax burden will decline by \$4.56 per week.

After this change, we will continue to have the lowest income tax burden in eastern Canada and the third lowest provincial income tax rate in the nation.

Interjections.

**Mr. Speaker:** Order. Order.

**Hon F. S. Miller:** The members will be aware Ontario already has an income tax reduction program that eliminates Ontario tax for more than 400,000 lower-income Ontarians. That program will be enriched for the 1981 taxation year to reduce tax burdens for another 60,000 Ontario taxpayers with taxable incomes below \$2,058. This enrichment, which smoothes the notch in Ontario's personal income tax, will bring the total benefits under the Ontario tax reduction program to \$20 million.

On balance, these personal income tax measures will yield \$235 million in increased revenues this fiscal year and \$450 million on a full-year basis. Full details of the tax increase and enriched Ontario tax reduction are contained in the tax appendix.

As I am sure the members will agree, Ontario can be justifiably proud of having one of the finest health care systems in the world.

[Applause.]

**Mr. Speaker:** The Treasurer will proceed, please.

**Hon. F.S. Miller:** I am trying to.

A wide range of health services is available to all Ontarians, regardless of their financial circumstances or state of health. This government remains firm in its resolve to maintain this quality of care for the benefit of all residents of this province.

The government has been successful during the past few years in achieving a high degree of cost efficiency in the health system. In the early 1970s, the cost of providing insured health services escalated at an average annual rate of 15 per cent. In the three years after 1976, this rate of increase was held to eight per cent. More recently, upward cost pressures have emerged once again.

The funds for financing health care come



from general revenues, including OHIP premiums. The ratio of premiums to health spending has continually fallen over time because of low natural growth in the premium base. In 1979-80, premiums contributed almost 29 per cent to the cost of insured health services, but this proportion would have declined to less than 23 per cent this year without an adjustment.

Therefore, effective in respect of payments for coverage beginning October 1, premiums will be increased by \$3 per month for single persons and \$6 per month for families.

**Mr. Smith:** Highway robbery.

**Mr. Martel:** Rent controls next.

**Mr. Speaker:** Order, order.

**Hon. F.S. Miller:** Resulting new monthly premium levels become \$23 and \$46 for single persons and families respectively. This measure, which increases premium revenue by \$120 million this year, represents an increase in premium rates of 15 per cent since 1979, which is below the increase in the cost of health care services over the same period.

**Ms. Copps:** The highest premiums in Canada.

**Mr. Speaker:** Order.

**Hon. F.S. Miller:** In two hours I will be done.

I would like to assure the members that many Ontarians continue to benefit from the present system of premium assistance and exemptions. Moreover, this system will be enriched to ensure that the increase in premiums will not impose any financial burden on those least able to afford them. Details of the enrichment are provided in appendix B.

Individuals with annual gross incomes of up to \$8,200 and families of four with gross incomes up to \$14,000 will now be eligible for assistance. Also, pensioners and recipients of social assistance will continue to pay no premiums. As a result some 1.7 million Ontarians will be sheltered from all or part of the increase.

**Ms. Copps:** It's almost 10 per cent of the income of a person earning \$9,000.

**Mr. Speaker:** Order.

**Hon. F.S. Miller:** Mr. Speaker, some members think that premiums are not an appropriate health financing vehicle.

**Mr. T.P. Reid:** You used to be one of them, Frank.

**Hon. F.S. Miller:** No, I never did.

**Mr. Speaker:** The Treasurer will not engage in private debate, please.

**Hon. F.S. Miller:** I intend to explore in depth other financing options such as a payroll tax, but I wish to emphasize there are significant implications which could still justify continuation of premium financing. I invite and indeed I welcome comment on this matter during the coming year.

I spoke earlier about my general concern with the diminished responsiveness of the revenue system. Consequently, I am proposing the tax rates on gasoline, diesel fuel, railway diesel fuel, aviation fuel, cigarettes and cut tobacco, and domestic beer—

**Mr. J. A. Reed:** You were the guys who wanted to keep the price of gasoline down. Remember your freeze?

**Mr. Speaker:** Order. The Treasurer will please proceed.

**Hon. F.S. Miller:** Sadly enough, many people in the gallery only come once a year and they watch the act across the floor and go home shaking their heads in utter disbelief.

Interjections.

**Mr. Speaker:** Order.

**Hon. F.S. Miller:** If members heard all those items, I suggest they be converted from their current volume basis to an ad valorem basis.

At the same time I am proposing the following specific tax increases:

First, that the new ad valorem tax rate on gasoline be set to incorporate an average increase of about one cent per litre and the new tax rate on diesel fuel be set to impose a 1.1 cent per litre increase. There will be no specific increase for railway diesel fuel and aviation fuel.

These changes will be effective midnight tonight. On the new ad valorem basis they will generate \$135 million in this fiscal year. Furthermore, as of April 1, 1982, this province will introduce a fuel colouration system for nontaxable middle distillate fuels. This measure is aimed at preventing tax evasion. Similar programs are already in place in the other provinces.

**9.20 p.m.**

Second, that the new ad valorem tax rate on cigarettes be set to incorporate an increase of just over five cents per pack of 20. The tax on cut tobacco will also be increased. This change

will be effective midnight tonight, and the new ad valorem rate will yield \$50 million for this year.

Have a cigar, Mr. Premier.

**Hon. Mr. Davis:** Thank you.

**Hon. F. S. Miller:** They were not included. That is full. May I have it back?

**Hon. Mr. Davis:** The Treasurer giveth and taketh away.

**Mr. Speaker:** The Treasurer will proceed, please.

Interjections.

**Hon. F. S. Miller:** Third, that a five-point increase in the markups be applied to domestic and imported spirits, while a decrease in the markup on domestic brandy from 75 per cent to 58 per cent be introduced.

Interjections.

**Mr. Speaker:** Order. Order.

**Hon. F. S. Miller:** That is the Welch-Andrewes amendment.

The markup increases, effective July 20, 1981, amount to 20 to 25 cents for a 25-ounce bottle of spirits sold at retail. In total an additional \$16 million will be generated this year.

Fourth, that the new ad valorem tax rate on domestic beer be 20 per cent. This will increase beer prices by about 45 cents per case of 24, and will take effect on June 1, 1981. The revenue gained from this proposal will be \$22 million this year.

We are still the second lowest province for beer in Canada. Only Alberta, which has no sales tax, is lower. Every other province is higher on liquor and on beer than Ontario.

A number of other minor changes to the revenue system are also proposed with a view to raising revenues, improving the working of the tax system and ensuring uniformity in tax bases. I would direct the members to the tax appendix for details on these changes. On balance these measures will add another \$26 million to our revenue.

Our corporations will have to absorb a share of the burden of the tax increases on consumption items as well as OHIP premiums. As a result I have decided to leave the corporate income tax and capital tax rates unchanged in view of the importance I attach to maintaining an attractive investment climate.

I should note that we have in recent years, when we did not change other taxes, imposed increases in the taxes on large corporations.

The capital tax was doubled in 1977, and the income tax rate increased by almost 10 per cent in 1978. A further capital tax rate increase of thirty-three and a third per cent was imposed on banks in 1979. At the same time the income tax rate was raised—

Interjections.

**Mr. Speaker:** Order. Order.

**Hon. F. S. Miller:** At the same time the income tax rate was raised by an additional one point, or seven or eight per cent, on most of our large corporations, making a total income tax rate for them of 17 per cent over the two-year period. I have already indicated the intensive competition in which we must operate and the direction of tax policy in other jurisdictions. The inescapable conclusion I have reached is that direct taxes on corporations should not be increased this year.

The tax actions I have proposed will generate an additional \$603 million this year. They are sustainable in the light of the expected economic performance, and will allow Ontario to remain competitive on the tax front. My colleague the Minister of Revenue (Mr. Ashe) will be tabling legislation tonight to effect these changes.

Let me go to another topic. Our improved revenue performance will enable us to continue to meet the needs of the people. The members will recall my concern, expressed in the mini-budget, with the impact of sharp increases in home heating costs on lower-income Ontarians. It will be a hardship for those with limited resources to adjust their budgets quickly to meet these cost increases. Consequently it remains my conviction that a temporary geared-to-income assistance program for home heating cost increases would be appropriate.

The impact of home heating cost increases on low-income people all across Canada should be a matter of national concern. I have taken this view directly to the Minister of Finance, presenting a set of options to him in December. In the absence of federal action I will provide home heating cost assistance for the residents of this province. Consequently I am reviewing the options available and will immediately initiate discussions with the federal government on the administration of the personal income tax system in anticipation of the change. Home heating cost increases over the winter of 1981-82 would be the initial target of the program.



Monsieur le président, je voudrais résumer en français les trois principales parties de mon budget.

D'abord, l'économie.

Interjections.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** Listen, for a change the members opposite should just be quiet. For the next few minutes they may be incompetent or incapable of response.

Les perspectives économiques pour l'Ontario se sont grandement améliorées, et je prévois une croissance réelle de 2.4 pour cent cette année ainsi que la création de plus de 100,000 nouveaux emplois.

La progression de l'inflation me préoccupe grandement. Le Premier Ministre, Monsieur Davis, a demandé au Premier Ministre du Canada de convoquer une conférence fédérale-provinciale à ce sujet aussitôt que possible. En l'absence d'une initiative fédérale dans ce secteur, l'Ontario a décidé de mettre de l'avant son propre plan à long terme visant à contrôler l'inflation.

Le deuxième élément de mon budget dont je veux vous entretenir se rapporte aux dépenses gouvernementales. Notre plan de dépenses pour 1981 comporte deux volets.

Mentionnons d'abord le conseil de leadership et de développement industriel dont les initiatives viseront à maximiser les investissements, la création d'emplois et la croissance future de notre économie. Nous investirons cette année \$250 millions dans le cadre des initiatives du conseil de leadership, en mettant l'accent sur l'électricité, les transports et les secteurs de technologie avancée. Des programmes du conseil de leadership sont également en cours de réalisation dans le secteur de la forêt, de l'agriculture, des mines, de la commercialisation à l'échelle internationale et de l'orientation professionnelle des jeunes.

L'autre élément de base de mon plan de dépenses consiste à préserver la qualité des services à l'intention de la population. Nous sommes déjà engagés à réduire l'ampleur globale du secteur gouvernemental par rapport à l'économie de la province et, dans ce but, les nouvelles initiatives ont été réservées aux secteurs caractérisés par d'évidents besoins. Les services de santé demeurent une priorité. Cette année les services de santé accapareront près de 29 cents de chaque dollar dépensé, comparativement à 27 cents il y a deux ans. A l'occasion de l'année internationale des personnes handicapées, la

province augmentera de 19 pour cent, soit près de \$100 millions, ses dépenses pour les principaux programmes à l'intention des personnes handicapées.

Interjections.

**Mr. Speaker:** Order. Order.

**Hon. F. S. Miller:** They sound as bad in English as they do in French.

**Mr. Speaker:** The Treasurer will continue, please.

**Hon. F. S. Miller:** Oui, monsieur. Des programmes nouveaux ou enrichis sont également destinés aux garderies, aux établissements pour les personnes âgées et aux services de police.

Le troisième élément important contenu dans mon budget se rapporte aux mesures d'imposition. Je propose des augmentations des primes du régime d'assurance-maladie et de l'impôt sur le revenu des particuliers ainsi que des augmentations des taxes sur les carburants, les boissons alcooliques et le tabac. Pour faire contrepoids à ces augmentations, un certain nombre d'allègements fiscaux sont mis à la disposition des personnes dont le revenu est peu élevé et des personnes qui investissent dans la petite entreprise. De plus—

**Mr. Sargent:** What is the minister trying to prove?

**Mr. Speaker:** Order. The Treasurer will carry on, please.

**Hon. F. S. Miller:** De plus, je propose un meilleur régime d'imposition foncière à l'intention des agriculteurs et un crédit pour les frais de chauffage des habitations, afin de compenser les augmentations du prix de l'énergie.

L'effet net de ces mesures d'imposition se traduit par une augmentation de \$600 millions des revenus de la province, soit environ trois pour cent des recettes provinciales.

En résumé, le budget de 1981-82 permet de maintenir des services de qualité à l'intention de la population de l'Ontario, tout en stimulant résolument la croissance économique. Ce budget réaffirme aussi l'engagement du gouvernement de réduire la part qu'il accapare au sein de l'économie et d'équilibrer son budget.

Mr. Speaker, I now turn to the economic outlook for Ontario.

**9.30 p.m.**

There are a number of potentially favourable developments. Tax cuts and increases in defence spending in the United States should give renewed impetus to the growth in demand for Ontario's exports. President Reagan's program is clearly

designed to promote economic growth, and it will have positive spillover effects for our economy. The possibility of an easing of international oil prices resulting from a growing glut of oil on the world market will also provide welcome relief.

This outlook could be even further improved by the commencement of the energy mega-projects. The value of these projects to the Ontario and Canadian economies is quite clear, and I would urge that the negotiations now under way between Ottawa and the producing provinces recognize the importance of the prompt commencement of these projects.

I am confident about the ability of the Ontario economy to rebound to higher levels of growth and, with the government's help, fight off inflation over the medium term. It is my view that we can expect a further improvement in our economic performance. My confidence reflects the economic forecast for 1981, which calls for a significant recovery from last year's performance. In 1980 overall output declined by 0.2 per cent. Nevertheless we created 58,000 jobs, very close to the forecast in last year's budget of 59,000.

This year I am forecasting a real growth rate for gross provincial product of 2.4 per cent and the creation of 106,000 new jobs. As a result, the unemployment rate will drop to 6.6 per cent from 6.9 per cent last year. The economic recovery in Ontario will be balanced across the sectors.

In conclusion, this budget serves to maintain a required fiscal balance, and it lays out initiatives to foster growth and thereby reduce inflation; it creates jobs; it continues support for small businesses and the farming community; it maintains a competitive tax and investment climate; it reduces the size of government to the economy; it increases the level of funding for public services; it provides new assistance for disabled persons; it promises relief from sharp increases in home heating costs for lower-income people; and it maintains the province's commitment to balance the budget.

**Mr. Speaker:** Hon. F. S. Miller moves, seconded by Hon. Mr. Davis, first reading of Bill 70, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

**Mr. Nixon:** On a point of order, Mr. Speaker: Just before you put that motion, can you explain to us how we got to introduction of bills? I know it is customary, but normally the Treasurer asks for reversion. We have never turned him down.

**Mr. Peterson:** Instead, we got perversion.

**Mr. Speaker:** Mr. Peterson, will you move the adjournment of the debate, please?

**Hon. Mr. Davis:** You see, we were waiting for you to move the adjournment, but you were asleep.

**Mr. Peterson:** I slept through the whole thing.

On motion by Mr. Peterson, the debate was adjourned.

**Mr. Speaker:** Do we have the consent of the House to revert?

**Mr. Martel:** Mr. Speaker, on a point of order: I think the Speaker should ask whether that first bill was carried, which he failed to do.

**An hon. member:** There was no question put; so it could hardly have been carried.

**Mr. Smith:** Doesn't anybody over there know the rules?

**Mr. Breithaupt:** Try to get them right, because these people only come here once a year.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** Mr. Speaker, would you like me to read the first bill over again?

**Some hon. members:** We haven't reverted yet.

**Hon. F. S. Miller:** We have already reverted. Do you accept the bill as read?

**Mr. Speaker:** I believe we should do it again.  
9:40 p.m.

## INTRODUCTION OF BILLS

### ONTARIO LOAN ACT

Hon. F. S. Miller moved, seconded by Hon. Mr. Davis, first reading of Bill 70, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Motion agreed to.

### SMALL BUSINESS DEVELOPMENT CORPORATIONS AMENDMENT ACT

Hon. F. S. Miller moved, seconded by Hon. Mr. Davis, first reading of Bill 71, An Act to amend the Small Business Development Corporations Act, 1979.

Motion agreed to.

### GASOLINE TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. F. S. Miller, first reading of Bill 72, An Act to amend the Gasoline Tax Act, 1973.



10:10 p.m.

The House divided on Mr. Ashe's motion for first reading of Bill 72, which was agreed to on the following vote:

**Ayes**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn;

Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman;

Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman.

**Nays**

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren;

MacDonald, Mackenzie, Mancini, Martel, McEwen, McGuigan, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Riddell, Roy, Ruston;

Samis, Sargent, Smith, Spensieri, Stokes, Swart, Sweeney, Van Horne, Wildman, Wrye.

Ayes 65; nays 49.

**MOTOR VEHICLE FUEL TAX  
AMENDMENT ACT**

Hon. Mr. Ashe moved, seconded by Hon. F. S. Miller, first reading of Bill 73, An Act to amend the Motor Vehicle Fuel Tax Act.

**Mr. Speaker:** Shall the motion carry?

**Some hon. members:** Yes.

**Some hon. members:** No.

**Mr. Speaker:** All those in favour will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

**Some hon. members:** No.

**Mr. Speaker:** Same vote?

**Mr. Nixon:** We will agree to the same vote.

**Some hon. members:** No.

**Mr. Speaker:** Call in the members.

**Some hon. members:** No.

**Mr. Speaker:** Order, please. Do I have the consent of the House to dispense with the bells?

**Mr. Foulds:** No, Mr. Speaker, you do not.

10:34 p.m.

**Mr. Speaker:** Hon. Mr. Ashe moves, seconded by Hon. F. S. Miller, second reading of Bill 73, An Act amend to the Motor Vehicle Fuel Tax Act.

**Mr. Sargent:** On a point of order, Mr. Speaker—

**Mr. Speaker:** There is no point of order. Sit down.

**Mr. Sargent:** It's after 10:30. You can't do this now.

**Mr. Speaker:** There is no point of order.

The House divided on Mr. Ashe's motion for first reading of Bill 73, which was agreed to on the following vote:

**Ayes**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn;

Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R.;

Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman.

**Nays**

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Mancini, Martel, McEwen, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Riddell, Ruston, Samis, Sargent, Smith, Spensieri, Stokes, Swart, Sweeney, Van Horne, Wildman, Wrye.

Ayes 65; nays, 48.

Hon. Mr. Wells moved, pursuant to standing order 3(b), that the House continue to sit until all the budget bills have been introduced.

**Mr. Speaker:** Do I have the consent of the House?

**Some hon. members:** No.

**Hon. Mr. Davis:** Don't play games. Let's get them in.

**Mr. Kerrio:** You want to do it in the dark of the night.

Sufficient members having objected by rising, the House adjourned at 10:40 p.m.

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No. 24

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Thursday, May 21, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 21, 1981

The House met at 2:02 p.m.

Prayers.

## SPADINA EXPRESSWAY

**Mr. Smith:** On a point of privilege, Mr. Speaker: On June 22, 1978, the Premier (Mr. Davis) in this House reaffirmed a policy that he had declared on August 8, 1975, with respect to the Spadina Expressway, in which he had said: "The provincial government will grant to the city a three-foot reserve across the route of the former expressway as proposed, such reserve to be held in perpetuity by the city." Note the term "grant."

He confirmed that, as I say, in this House on June 22, 1978. Yet he has sent a letter, which was raised in committee yesterday, in which he said that at the time he made the statement he really intended a lease of a three-foot strip to each of the city of Toronto and the borough of York. Since then there has been some disagreement at the borough of York and he is not sure how it is going to resolve itself, but he really intended at the time a lease. If he intended a lease and simply misspoke himself in 1975 when he spoke of a grant, then in my view he should not have reconfirmed here in the House the policy of a grant of a three-foot strip.

We have been led to understand that there was going to be a grant of a three-foot strip. We were told in this House in 1978 that was the policy of the government. I ask you, Mr. Speaker, to inquire with the Premier, when you have an opportunity, as to whether he was intentionally saying one thing to the House while meaning something totally different, in which case he would have been misleading the House, or whether he simply misspoke himself at the time. It seems to me he was very clear that he intended to grant a three-foot strip, and now he is speaking in terms of a lease. I ask that you find out whether it means a totally new policy on the Spadina Expressway.

**Mr. Speaker:** The Premier is not here to reply to the Leader of the Opposition's point of privilege. I am sure he will like to do so when he does return. I shall be glad to take it up with him.

**Mr. Cassidy:** Mr. Speaker, on that same point

of privilege: Will you be prepared to make a ruling and suggest that it is unbecoming to this Legislature to have the first minister of the crown breaking promises, as he appears to have done in this particular case, and in particular sending letters out to members of his caucus so that the Tory back-benchers would act like trained seals in carrying out the Premier's will.

**Mr. Speaker:** No, Mr. Cassidy, I will not make an instant ruling in that regard.

## NONAPPEARANCE OF MINISTRY OFFICIALS

**Mr. T. P. Reid:** Mr. Speaker, I have a point of order and a point of privilege.

I have to say, in reference to the remarks of the member for Ottawa Centre (Mr. Cassidy), he obviously was not here to hear the budget the other night, or has forgotten about it, when he talks about broken promises.

This matter refers to the meeting of the standing committee on public accounts held this morning and to the Ministry of Health and two particular members of the public service, the Deputy Minister of Health, Mr. Tom Campbell, and the Assistant Deputy Minister of Health, Community Health Services, Dr. Boyd Suttie.

As you will know, Mr. Speaker, as you were a member of the committee, the public accounts committee last year dealt with the health service organization of St. Marys Health Centre. The committee spent a number of meetings on that, and in its 1980 report tabled in this House in December the committee, composed of all three parties, had this to say in one paragraph on page 30 of said report:

"The committee is also disappointed by the apparent lack of concern with the question of value for money displayed in our hearings by the officials most directly charged with the responsibility for the program, Dr. Boyd Suttie and Mr. Ray Berry. In particular, the committee is disappointed with the quality of responses to requests for information and with the lateness of these responses which served to hinder the committee in its work. The committee is also displeased by the lack of co-operation by the ministry with the Provincial Auditor and his



comparison, at the direction of the committee, of the roster of St. Marys clinic and the patient list of nearby fee-for-service practices."

This was the first time in the history of the public accounts committee in Ontario that a member of the public service was named for what we considered obstructionist tactics in terms of the committee, and it caused us to spend a couple of extra meetings on this particular item.

Subsequent to that report, the committee asked the auditor to compare the rosters of St. Marys with the rosters of private physicians in the area and to report back to the committee. On May 7, 1981, two weeks ago, the Provincial Auditor tabled his report in regard to St. Marys clinic, outlining certain matters and indicating there were some serious problems in regard to this health service organization.

The committee requested that the deputy minister, Mr. Campbell, and Dr. Suttie attend the meeting this morning of the public accounts committee. The deputy minister was phoned a week ago, May 14, and asked to make himself and Dr. Suttie available to the committee this morning. That was followed up by a letter which was received by the deputy minister on May 15.

The clerk of our committee received a response from the deputy minister, Mr. Campbell, yesterday at four o'clock indicating that he and Dr. Suttie had a prior commitment and could not be available.

I ask you, Mr. Speaker, as the protector of the rights of this House, to look into the following matters:

1. Why were the deputy minister and Dr. Suttie not available to the committee this morning, given the fact that they had a week's notice and given the fact that this report of the Provincial Auditor of May 7 was delivered to the deputy minister at the same time the committee received it on May 7?

2. Why, and I consider it completely discourteous and unacceptable, did the deputy minister wait until the 11th hour, four o'clock yesterday, to inform the committee through the clerk that he and Dr. Suttie would not be available?

3. Will you ascertain where the deputy minister and Dr. Suttie were this morning at 10 o'clock? It is my information that Mr. Campbell's office was phoned, asking for the information as to where Mr. Campbell was, and a reporter was informed by a secretary, I believe, or somebody in the deputy minister's office, that this information was not available to the public.

Given the history of the obstructionist tactics,

the delaying tactics and the nonco-operation of the personnel in the Ministry of Health, I ask you, Mr. Speaker, to look into this matter and to report back to the House with a view to giving the individual members of this House some bit of responsibility, indicating to the members of the public service that they do have a responsibility to appear before committees when so asked and that they do recall they are public servants. It may become obvious that they are running the province, rather than those people opposite, but if so, let us know for sure.

**2:10 p.m.**

**Hon. Mr. Timbrell:** Mr. Speaker, speaking to the point of order, and I am sure you will want to hear it anyway, I should first of all point out to members of the House that a meeting has been scheduled for two weeks hence, at which time there will be an opportunity for Ministry of Health officials to respond to the allegations made about lack of co-operation which, I submit, the true record will show are unfounded. In the last two or three years no ministry has been in attendance before more committees than the Ministry of Health, and no ministry has been more co-operative.

As to the whereabouts of the two gentlemen in question, Dr. Suttie had some commitments that could not be broken. I do not think it is in any way—

**Mr. T. P. Reid:** What were they?

**Hon. Mr. Timbrell:** I sat here and listened to the honourable member. Will he kindly listen to an answer just once, instead of trying to railroad things through the way he always does?

I can tell the member where the deputy minister was. He was with me in a cabinet committee meeting where we were considering what I thought was a very important matter of policy. I do not think it is in any way bad manners or an affront to the committee, or an affront to the House, to send a letter saying, "Please." That is not—

**Mr. T. P. Reid:** At the last minute?

**Hon. Mr. Timbrell:** Why was it at the last minute? Perhaps the long weekend intervened and they did not arrive in time, but I believe the letter was sent at the end of last week.

**Mr. T. P. Reid:** It was dated May 20.

**Hon. Mr. Timbrell:** Except for political purposes, I do not believe that this can be construed in any way as an affront to any member or to the House.

**Mr. Foulds:** Mr. Speaker, I have a comment on the same point. I wish to raise this because I feel it is a very serious matter. I believe, of all the committees of the Legislature, the public accounts committee is traditionally seen as objective and nonpartisan in the parliamentary procedure. One of the symbols that reinforces that role of the accounts committee is that the chairman, in all parliamentary systems, is traditionally chosen from the opposition.

For some months there have been a number of questions surrounding this before the Ministry of Health. It is not as if the Ministry of Health officials first received the concern of the public accounts committee on May 7. They received the actual report of the auditor and some of his suggestions.

It would have been a responsible action by the ministry officials concerned, if they could not appear this morning, at least to have given their reasons to the chairman of the committee. The committee is not unreasonable. The officials did not even have the courtesy to suggest another date. We had to spend an hour trying to arrange that in the committee itself.

If there were legitimate commitments that could not be broken, the committee would have been reasonable. Nevertheless, Mr. Speaker, I believe it is your duty to indicate to the public servants of this province that the primary duty they have is to reply to the responsibility of the Legislature and to account to the Legislature for their actions, because the members of that committee represent the Legislature and not merely the government.

### SPADINA EXPRESSWAY

**Mr. Ruprecht:** Mr. Speaker, I have a question of privilege concerning the Premier. The Premier stated unequivocally in 1975 that he would give to the city of Toronto a three-foot strip to stop the Spadina Expressway.

**Mr. Speaker:** Order. Mr. Ruprecht, that point has already been raised.

**Mr. Ruprecht:** Mr. Speaker, on a point of privilege, if I may—

**Mr. Speaker:** Carry on; I will hear you.

**Mr. Ruprecht:** My leader has already touched on some of these issues, but I think this is a very serious situation and I should have the right to rise on a question of privilege, because my question of privilege differs from that of my leader. If you will permit me to ask the question, Mr. Speaker, I will appreciate that.

The Premier indicated five years ago that he

had given—and I quote his letter—“ironclad guarantees to the city of Toronto that a three-foot strip would be given to the city in order to stop the extension of the Spadina expressway.” In a letter of May 19 he now says he wants to change that to a lease on the grounds that the borough of York has changed its mind. The mayor of York was at our hearings yesterday, and she says she has no intention of changing her mind nor has she changed her mind one iota. That is why I would like to ask the Premier whether he will not mislead this House—

**Some hon. members:** Oh, oh!

**Mr. Ruprecht:** That's right. In 1976, in response to Mr. Lewis, who said, “I would like to address a question to Bill,” the Premier stated, in reference to the three-foot strip: “If it has to be in some other location, I understand there is no problem with that.”

Because of the very serious nature of this situation, the Premier should make very clear whether he intends to maintain the three-foot strip on the same location or whether he intends to have it shifted to another point, when that makes it possible that the Cedarvale ravine would continue in terms of providing a roadway that would then allow traffic to go on to Bathurst Street and later to Spadina Road.

I would like clarification so that the people of Toronto will not be misled and they will not have a feeling of being misled by the Premier.

**Hon. Mr. Davis:** Mr. Speaker, replying to that purported question of privilege, and with the greatest of respect—

**Mr. R. F. Johnston:** Mr. Speaker, on a point of order: The point of privilege—

**Mr. Speaker:** Just a minute now, please. The point of privilege was raised with the Premier; he should have an opportunity—

**Mr. R. F. Johnston:** My point is that it is not a point of privilege at all. It is a question and should be placed as a question.

**Mr. Speaker:** You are right.

**Hon. Mr. Davis:** With great respect, I was not here for the Leader of the Opposition's remarks. I would never presume to suggest to you, Mr. Speaker, that it was not a point of privilege, but I am suggesting it. The reiteration of what I do not think was a point of privilege by the member for Parkdale (Mr. Ruprecht)—who quite obviously has not had consultation with his leader yet this afternoon—indicates that the researchers, whoever they are, have not given them the proper list of questions or points to raise.



If the Leader of the Opposition wants to ask a question, which is the traditional fashion, or if the member for Parkdale, who perhaps has not yet learned the traditions of this House, wants to ask a question instead of not even quoting accurately in his point of privilege, I will be delighted to answer by way of a question properly put.

#### INTERPRETATION OF PRIVILEGE

**Hon. Mr. Wells:** Mr. Speaker, on a point of order: I respectfully ask that you consider at some point reading the precedents concerning privileges. I think we are straying a long way from what is meant by—

**Mr. T. P. Reid:** The arrogance did not take long, did it?

**Hon. Mr. Wells:** This is not arrogance.

**Mr. T. P. Reid:** You are trying to run the Speaker.

**Mr. Speaker:** Order. Order.

**Mr. T. P. Reid:** It is a decision for the Speaker to make.

**Hon. Mr. Wells:** I recognize completely that it is a matter for the Speaker. I say with respect to the Speaker, I am asking—

**Mr. Smith:** He can do it without your help.

**Hon. Mr. Wells:** What does the Leader of the Opposition mean? With his party's help but not ours?

**Mr. Speaker:** Order. Mr. Wells will continue, please.

2.20 p.m.

**Hon. Mr. Wells:** All I am saying is that, as I read the standing orders, a matter of privilege is when our privileges, our individual privileges or our collective privileges as members of this House, have been somehow denigrated or acted against. This particular very important point, I submit, should not be turned into another excuse to ask a question about government policy, which is what it is being used as.

Mr. Speaker, I ask that you consider at some time the whole matter of points of privilege and perhaps at your convenience inform the members of the House exactly what points of privilege are, because I think all of us may have at times used this as a matter to gain the floor and make a particular statement. I submit to you that it is an important matter where we as members of this House can raise those things that have been done against our individual privileges or against the collective privileges of

the House, and it should not be used as a matter merely to get a point before this House that is not a point of privilege.

**Mr. Speaker:** Your point is well taken, Mr. Wells. The member did rise on a point of personal privilege, which he did not identify. I was waiting for it to be identified; however, it was not.

**Mr. Cassidy:** On a point of order, Mr. Speaker: Are you prepared to make a ruling about members of this House from the government side trying to lecture the Speaker? The Speaker's chair is an independent role within this Legislature and he should not be taking orders from over there.

**Mr. Speaker:** I can assure the honourable members on both sides of this House that I understand the duties and responsibilities I have undertaken. I am not directed, nor will I be directed, by members from either side. If I am—

**An hon. member:** Do not let that gang over there intimidate you.

**Mr. Speaker:** I think the honourable members know me well enough to know that I am not one to be intimidated either. I just want to make that point very clear.

Now, may we have order and continue with the routine proceedings? Before we do, I wish to draw the attention of all honourable members to the fact that we have had—

Interjections.

**Hon. Mr. Davis:** The members opposite are just eroding the private members' hour.

**Mr. Speaker:** You are right.

#### LEGISLATIVE PAGES

**Mr. Speaker:** We have been privileged to have several young people here to help us in our deliberations, to help us with the many duties that have fallen upon us. According to established custom, I am going to read their names into the record as a way of saying thanks to each and every one of them, and upon reading these names I expect all the members of the Legislature to express their thanks.

Diane Allan, Fort William; Brendan DeTracey, Quinte; Tricia Eaton, Middlesex; David Fear, Peterborough; Sally Fereday, Ottawa South; Rita Gill, York Mills; Kurt Greaves, Lanark; Andrés Gulabsingh, Halidmand-Norfolk; Ralph Hart, Brant-Oxford-Norfolk; Gregory Jackson, Simcoe East; Kenny John, Hamilton Centre; Cheryl Lenardon, Port Arthur; Laura Matthews, Wentworth; David Mayhew, St. George; Nancy

Morgan, Windsor-Sandwich; Todd Paralusz, Lincoln; Virginia Pettit, Grey-Bruce; Gregory Pinnington, Kitchener-Wilmot; Jamie Prpic, Sudbury; Karen Swift, Parry Sound; Janet Thompson, Sault Ste. Marie; Catherine Watson, Riverdale.

[Applause.]

**Mr. Smith:** Maybe the pages will tell us which one of them was sent for a package of jelly beans; that was in the Hamilton Spectator the other day.

**Mr. T. P. Reid:** Probably it was for the Premier; Ronald Reagan is his idol.

## ORAL QUESTIONS

### GASOLINE TAX INCREASE

**Mr. Smith:** Mr. Speaker, I want to ask the Treasurer whether he recalls his Premier saying in September 1979, when the Conservative government in Ottawa was raising oil prices, "A price increase would be a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province." And further: "There is only so much you can take out of an economy by means of energy price increases before that economy begins to suffer and suffer seriously."

In view of those strongly held sentiments, how can the Treasurer justify the raid on the spending power of the consumers of Ontario that he has perpetrated by his ad valorem gas tax, which not only adds to the cost of fuel but also multiplies and compounds any other increases in the cost of fuel that will happen from time to time?

**Hon. F. S. Miller:** Mr. Speaker, I recall those words well. In the period of time since then, inflation has been real. We have had a cents per litre or cents per gallon unit fee which needed to be adjusted. The rate of inflation justifies an ad valorem base.

The calculations I saw in the Globe and Mail, allegedly from the Liberal finance critic, tell me that if ever this government were run by that party, they would not even know how to add, let alone multiply.

**Mr. Smith:** Since the Treasurer's answer for his willingness not only to accept and add to higher oil prices but also to compound them and piggyback upon them and multiply them every time they occur is that there is inflation about and that justifies his increasing the inflation, does he not feel somewhat like a person who is ranting and raving against prostitution while not

only living off the avails of prostitution but also rushing in to build a new wing for his own coffers whenever a new house of ill repute is being built?

Surely the Treasurer must understand and surely he can give a better answer to the people of Ontario than simply saying that, since there is inflation about, he is justified in compounding and multiplying that very inflation at the cost to ordinary citizens.

**Hon. F. S. Miller:** Ranting and raving I have learned from the Leader of the Opposition; prostitution he can still teach me something about.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Will the Treasurer say what has happened to the opposition that Ontario has shown in the past to the increases in oil prices that are being demanded by Alberta when it is now the case that Ontario will profit in terms of Ontario government revenues every time oil prices are raised under the national energy policy?

Is it not the case that, thanks to this new ad valorem tax, the interests of the Premier of Ontario are the same as the interests of the Premier of Alberta in terms of increasing oil prices, and why has the government changed sides in that way?

**Hon. F. S. Miller:** First, Mr. Speaker, the taxes I have raised apply to distilled product; they do not apply to crude oil. Roughly 40 per cent of the total crude oil in this province is used for gasoline, I am told, and roughly 16 per cent is used for middle distillates for transportation purposes. Therefore, about half of the total crude oil in this province is used in the transportation sector, and about half of it is used as feedstock or for home heating purposes, which is something we did not touch; keep that in mind.

Second, one has to recognize that the fuel bill in this province for petroleum products last year exceeded \$7 billion. Our increase in take in a whole year through \$1 a gallon will be \$20 million. Does the member think we would be interested in seeing the price go up just to get \$20 million when it costs us \$7 billion or \$8 billion?

2:30 p.m.

**Mr. J. A. Reed:** Supplementary, Mr. Speaker: I wonder whether the Treasurer remembers that when the government was on the opposite side of this issue he presented a calculation to this House of the number of jobs that would be lost with every increment and increase in petro-



leum prices. Will the minister now please do a calculation and table in the House the number of jobs that will be lost because of the ad valorem taxes?

**Hon. F. S. Miller:** Mr. Speaker, again the honourable gentleman has forgotten that I said the crude oil feedstocks for industrial purposes and for home heating purposes are not taxed on the ad valorem base.

**Mr. Speaker:** A new question.

**Mr. Roy:** Are you not going to allow a supplementary on a topic as important as this?

**Mr. Speaker:** There have been four supplementaries.

**Mr. Roy:** As far as I know, there were only three supplementaries.

**Mr. Speaker:** Order. A new question.

**Mr. Roy:** I just want to know—

**Mr. Speaker:** Order. There have been sufficient supplementaries.

Interjections.

**Mr. Roy:** Mr. Speaker, you are going to have to be more flexible than that.

**Mr. Speaker:** Order, please. It was suggested last week that I was not being consistent. For the past week I have followed this procedure; nobody has complained about it, everybody has accepted it and I will carry on this way.

Mr. Smith with a new question.

#### PERSONAL TAX INCREASES

**Mr. Smith:** Mr. Speaker, I have another question for the Treasurer, who seems to feel he is justified in raiding the spending power of consumers and piggybacking upon the increases in oil prices, whether they be from Alberta, the federal government, the companies or any other tax, and multiplying and compounding those taxes and that penalty to the consumers of Ontario.

Can the Treasurer explain to the House why it is that, in the face of crippling interest rates and record high levels of inflation, about which he had nothing to say in the budget, he has now compounded the problems of the ordinary citizens of Ontario by raising the level of personal taxation in Ontario—which includes income tax and the Ontario health insurance plan premiums—to 58.5 per cent, which is the highest level of any province in Canada?

**Hon. F. S. Miller:** Mr. Speaker, the member likes to play with figures. The fact remains that I can show that no province in Canada spends less

money per capita than Ontario. We are the most efficiently run province in Canada in terms of provincial-municipal spending. That tells me we are not taxing the consumer in this province.

Can the member tell me what other government is keeping its costs below inflation in this country? Can he tell me that the federal government has done that? Can he tell me if the federal government—

**Mr. Speaker:** The minister is supposed to answer questions, not ask them.

**Hon. F. S. Miller:** I accept that, Mr. Speaker, because he has no answers and never did have.

**Mr. Smith:** The explanation for the gas tax—the change of their view of the right and the need to raise gasoline prices—seems to be justified by inflation, according to the Treasurer, who seems to feel that when people are feeling some pain it is his duty to make sure they feel greater pain. And he now justifies his increase in personal taxes—including income tax and OHIP premiums—to the highest level in Canada on the basis that he is not spending the money as rapidly.

Can the Treasurer tell us whether he has even the faintest idea what impact this is having on the ordinary citizens who already cannot make ends meet and now, in addition to everything else, have to pay some \$300 to \$400 a year per average family simply because the Treasurer believes that once they are suffering from inflation they might as well as suffer big?

**Hon. F. S. Miller:** The honourable member talks about the lowest-income people and then talks about the average-income family at the same time. They are not the same people.

I took steps in the budget to alleviate the problems for 60,000 more taxpayers in Ontario, removing them from the rolls at the lower end, and the member knows it.

**Mr. Cassidy:** Supplementary, Mr. Speaker: The Treasurer has put forward a budget that promises inflation at 12.1 per cent in 1981 and has offered nothing at all in terms of a response to bringing down inflation in Ontario. He has brought in a budget that will increase taxes by \$600 million, or more than one half of one per cent of the gross provincial product in Ontario, despite the effect on unemployment, which he predicts will be 295,000 people unemployed. Why has there been no answer to unemployment in the budget? Why has the Treasurer totally ignored the need for Ontario to take action to protect consumers against the 12 per cent inflation rate?

**Hon. F. S. Miller:** Mr. Speaker, if the member thinks there was no answer to unemployment in the budget then he obviously does not understand budgets. I suppose if one is in the New Democratic Party that is automatic. The fact remains that, through the Board of Industrial Leadership and Development document, we did a great deal for employment in this province. We have more than 100,000 more people at work right now and one half of one per cent less unemployment than a year ago. The member knows that.

He knows no other government in this country has done as much as Ontario to cut its take from the average taxpayer and to reduce the funded debt. Today the debt of this province in terms of a month's revenue is half as great as it was when Mr. Leslie Frost was Premier.

**Mr. Peterson:** Supplementary, Mr. Speaker: Does the Treasurer not think his failure to deal significantly today with any of the questions on these major tax increases is going to give people the impression that he personally does not have a great grasp of what he has done?

My second point, and a most serious one, is that at a time of serious inflation, about which even the Treasurer mouths platitudes on its seriousness, he has contributed, even by his own officials' admission, through an inflationary budget. How can the Treasurer possibly do that at a time of record inflation, when at the same time he has offered no relief from the vicissitudes and ravages of inflation to any person in this province? How can the Treasurer stand there and contribute to inflation and do nothing about it?

**Hon. F. S. Miller:** Mr. Speaker, at least I believe what I say in public. The member knows full well we have tackled the problems. Would he have me spend more money?

**Mr. Peterson:** I would have cut your spending in stupid places.

Interjections.

**Mr. Speaker:** Order. You asked the minister a question; give him a chance to respond.

**Hon. F. S. Miller:** I did not hear the honourable member talking about cutting anything during the campaign; I heard him talking about spending a lot more of the taxpayers' money and raising the deficit of this province.

#### OHIP PREMIUMS

**Mr. Cassidy:** Mr. Speaker, I have a question for the Treasurer. In the budget we received on

Tuesday night the Treasurer said, "Some members think that premiums are not an appropriate health financing vehicle."

Is the Treasurer not aware that is also the opinion of seven provinces across Canada which do not have health premiums and that it was also one of the major recommendations of Justice Emmett Hall, the architect of medicare in Canada, when he made his report a year or so ago entitled, Canada's National-Provincial Health Program for the 1980s: A Commitment for Renewal? Would the Treasurer explain why he has chosen to increase this regressive tax through health premiums instead of beginning the process of eliminating health premiums and putting the cost of health on to a progressive tax base?

**Hon. F. S. Miller:** The honourable member seems to think if I take it off premiums it disappears. It does not; it still comes out of the total fund. I say in the budget—

Interjections.

**Hon. F. S. Miller:** You wonder why people go away from this House daily shaking their heads in disbelief at the disorder of this House.

2:40 p.m.

**Mr. Speaker:** Order, order. The minister will respond to the question asked by Mr. Cassidy, please.

**Hon. F. S. Miller:** I have a right to be heard, not yelled at.

**Mr. Speaker:** Indeed you do, and so does every other honourable member of this House. Now you will please proceed.

**Mr. Cassidy:** Don't be so touchy; it's your budget.

**Mr. Speaker:** Order. Order. Did you want to get a response from the minister?

**Mr. Cassidy:** Of course, Mr. Speaker.

**Mr. Speaker:** Then please let him proceed. Mr. Treasurer.

Interjections.

**Mr. Speaker:** Order. Order. If the members are really interested in seeking responses to their questions, I would ask them please to keep the din down to the point where the minister can hear what he is saying and I can hear what he is saying. Mr. Treasurer.

**Hon. F. S. Miller:** Mr. Speaker, I am not going to try to defend OHIP premiums. I hope you will accept that. We have stated in the budget that in fact we were ready to look at the alternatives, such as payroll taxes. We would like responses from anyone, be they unions, companies, con-



sumer groups or members of the opposition parties, as to the other ways of doing it that would be fair. We started with the premium system and I think roughly 70 per cent of the premiums are being paid by corporations at the present time.

It is a reasonably well accepted system at the present time. It pays for about a quarter of the total health care cost. It went up 15 per cent this year when the cost of health care went up 15 per cent. I believe the people of this province are intelligent enough to know that if something goes up 15 per cent one pays 15 per cent more for it. I believe they believe they are getting very good value for their health premium dollars and that they have the best health care system in Canada.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Is the Treasurer not aware that health premiums in Ontario are double the rate of health premiums in the two other provinces, Alberta and British Columbia, that have them? Can he explain why it is that the government has been prepared to raise health premiums by 43.7 per cent since 1977? Why is he prepared to levy that kind of unfair tax, yet he has not been prepared to take any measures to implement the unanimous recommendations of the select committee on health care costs, which said there should be a tax credit system to ensure at least that everybody who is entitled to get premium assistance should get it, and not just the one in three who now are entitled to get premium assistance?

**Hon. F. S. Miller:** The Minister of Health (Mr. Timbrell) tells me that the spending on health care is up about 60 per cent in that same time frame. I was Minister of Health, as members may recall, in the years—

Interjections.

**Mr. Speaker:** Order, order.

**Hon. F. S. Miller:** The fact is, if I recall the figures in 1974 when I became minister, health care spending in this province in total was about \$2.2 billion. This year it will be about \$5.6 billion.

**Mr. T. P. Reid:** That's management?

**Hon. F. S. Miller:** Is the member complaining? There is a gentleman who thinks we spend too much on health care, the member for Rainy River, the labour—

Interjections.

**Mr. Speaker:** Order, order. The minister will respond to Mr. Cassidy's question please.

**Hon. F. S. Miller:** The fact is we still raise roughly \$4.3 billion to \$4.4 billion of health care moneys through the general progressive, in quotes, revenues of this province. The balance is raised in a premium and I would argue that many Ontario citizens are very satisfied with that system.

**Mr. Van Horne:** Mr. Speaker, I have a supplementary to the Treasurer and I would hope that we can get a simple straightforward answer from him. In answer to the first question put to the Treasurer, he still did not indicate to us why seven different studies in Ontario on this theme in the last decade have not provided enough evidence for him and his colleagues in cabinet to come up with the conclusion that these premiums are a regressive form of taxation, that they should be got rid of, and that instead of exploring the possibilities, the government will take the leadership to get rid of them and give us a guarantee they will disappear over the next year or two when the Treasurer finds a way of coming up with the money. Why does he not give us a straightforward answer to that?

**Hon. F. S. Miller:** I do not think the member would understand one.

**Mr. Wildman:** Will you quit being such a jerk?

**Hon. F. S. Miller:** Mr. Speaker, do you mind talking to that gentleman?

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** Did you hear that?

**Mr. Speaker:** No, I did not, I am sorry. I will take a look at Hansard and make a decision at that time.

**Hon. F. S. Miller:** That gentleman who called me a jerk on the record is supposed to be intelligent enough to be the critic for the NDP for Treasury, and I do not like that talk.

**Mr. Wildman:** Mr. Speaker, I will withdraw the word "jerk" and just ask the Treasurer to answer some questions. Is he now ready to send this out for another study? I will withdraw the word "jerk" and ask when he is going to answer some questions in this House.

**Mr. Speaker:** That is not a supplementary.  
Interjections.

## CHARGES BY OIL COMPANIES

**Mr. Cassidy:** Mr. Speaker, I have another question for the Treasurer—

Interjections.

**Mr. Speaker:** I will caution the member for Ottawa East.

**Mr. Roy:** I am sorry, what is the problem?

**Mr. Speaker:** Sit down. Order. That is the last time. Mr. Cassidy.

**Mr. Cassidy:** I have a new question for the Treasurer, Mr. Speaker, but I say to him if he is not prepared to defend his budget, which was a bad budget, the worst we have seen in this province in 20 years, then he should be prepared simply to stand aside as Treasurer. If he cannot stand the heat, he should get out of the kitchen.

My question to the Treasurer is about the apparent blindness of Ontario to the monopoly overcharge by the oil companies which has taken about \$9 billion from consumers in Ontario over the course of the last 20 or 25 years. Can the minister explain why it is that the Ontario government ignored completely the report of the monopolies branch of the federal government when it reported on the monopoly overcharge levied by the oil companies?

Why was the government not prepared to lift a finger in order to get back for consumers in the province the billions of dollars they had been overcharged by the oil companies when that report came through a few months ago; but why is the Treasurer now prepared to turn around and tax consumers for oil and gasoline, and specifically to allow a tax that is a tax on taxes, that is a tax on costs, that is a tax on profits, and that is also a tax on those monopoly ripoffs?

**Hon. F.S. Miller:** The honourable leader of the NDP suggested if I could not stand the heat I should get out of the kitchen. I have the option, he does not; I was not invited to leave by my colleagues.

Interjections.

**Mr. Speaker:** Order.

**Hon. F.S. Miller:** The content of that question, which relates to the report in Ottawa on the oil companies, is best asked more directly to the Minister of Energy.

**Hon. Mr. Welch:** Mr. Speaker, I would have to indicate at this time that I really did not hear the question put. If the leader of the third party would rephrase his question, I will attempt an answer.

**Mr. Cassidy:** Briefly, my first question was:

How would the government defend the fact that it is prepared to soak people purchasing gasoline across Ontario, but it was not prepared to lift a finger when the federal combines branch report indicated gasoline consumers in Ontario had been overcharged by the oil companies because of their monopoly to the tune of billions of dollars over the course of the last 20 years? Why is the minister prepared to tax the little guy who drives a car, and not prepared to lift a finger to protect people against the oil companies?

2.50 p.m.

**Hon. Mr. Welch:** Mr. Speaker, may I share two observations with the leader of the third-party members of the House?

Firstly, the honourable member I am sure has not overlooked the Isbister report, which of course was commissioned by this government some years ago, and indicated the interest of this government in the consumer's point of view.

Secondly, I think it is a bit premature to write off the involvement of the government of Ontario at the moment with respect to the federal report, because, as the honourable member will know, some consideration is now being given to starting some public hearings with respect to that report. We are at present studying that and giving some consideration to what our involvement in that might be. As I understand it—and the members should not hold me to these dates—those public hearings are scheduled to commence some time in early July, if memory does serve me correctly.

**Mr. Cassidy:** I have a supplementary to the Treasurer. Would the Treasurer explain how, even in a majority government, he can justify introducing a tax measure in the Legislature on Tuesday that will give to one minister of the crown the power to declare arbitrarily what the tax on gasoline will be and to increase that tax by any amount without reference to the public, without reference to the Legislature and without even reference to the cabinet, and to do so on only two days' notice? How does he defend that kind of arbitrary tax measure?

**Hon. F. S. Miller:** I would argue that whether I like it or not, most tax measures remain reasonably arbitrary. They are decisions that are made by a government to raise its moneys.

The fact remains that I raised \$603 million more through tax measures the other night. The increase in the spending budget of the Ministry of Health alone this year was \$650 million. Their average was very close to a 15 per cent increase.



We have set our priorities very high on the social service side. We have kept our spending below inflation while providing the important and necessary needs.

We have to look at the whole tax base and the capability of the tax base in this province to support the spending of government, and take some from each level. The taxation of distilled products has traditionally been a provincial field occupied by all 10 provinces in this country at one time or another. It has been occupied to a large degree in the last few years by the federal government, which is desperate to try to get its hands on some money from any source it can.

**Mr. Cassidy:** The minister is not talking about gasoline.

**Hon. F. S. Miller:** I am talking about gasoline. They moved into gasoline at a time when they put the 10-cent tax on—wasn't that about four years ago, Mr. Premier? All 10 provinces objected to that, because rightly or wrongly it had been a field used to support the necessary provincial services provided by provincial governments. The federal government got into major problems because of the imbalance of revenues in this country—I refer to those at length—and had to access fields traditionally left for the provinces.

Secondly, in that period of time I believe we are almost the last province—I think only Nova Scotia is currently left without an ad valorem base for fuel taxes—

Interjections.

**Hon. F. S. Miller:** Of course Alberta has none. Alberta has none because we are sending our money out there, and they can use our money in place of taxes. I envy them, but the fact remains that they do.

**Mr. Roy:** Supplementary, Mr. Speaker: I would like to ask the Treasurer how he expects to have any credibility when he says Alberta's increases, for instance, are exorbitant, when in the past he called Premier Lougheed greedy, when he tried to lecture the federal—

**Hon. Mr. Davis:** No.

**Mr. Roy:** Yes, the Premier used that term.

**Mr. Speaker:** Order. Ask your question, please.

**Mr. Roy:** The Premier has a selective memory and he knows it.

**Mr. Speaker:** Order.

**Mr. Roy:** I would like to ask the Treasurer, Mr. Speaker, how he expects to have any credibility at all in lecturing the federal government about inflation when most of his bud-

get is profiteering from inflation. Is that what he meant in the last election by "keeping the promise"?

**Hon. F. S. Miller:** Mr. Speaker, since I became Treasurer we have seen Ontario's share of the gross provincial product, the taxes raised in this province, decline a full two points. That, I think, is very important. We are taking fewer of the dollars created in this province. I think the gross provincial product this year in this province is about \$125 billion or \$126 billion, give or take.

**Mr. Breaugh:** What's a billion?

**Hon. F. S. Miller:** The fact remains, I may be closer to the truth than he is when the year is out. We won't know until then. That's a 25 per cent increase, as I recall, since I introduced the budget two years ago. We have seen our share of that, in spite of inflation, decrease. That, to me, is a measure of good government. It's a fact that we have been able to control our costs and our share of the moneys created in this province better than our colleagues in Ottawa and better than our colleagues in most other provinces.

**Mr. Cassidy:** I would like to ask the minister, as the final supplementary, just what he considers his responsibility to this Legislature to be, as a parliamentarian, when he is prepared to put forward a piece of legislation that not only has an ad valorem tax in it but allows another minister of the crown to determine the taxable value of gasoline and effectively to put that taxable value at any figure he chooses.

In other words, the minister of the crown is being given the right to determine how much people across the province will have to pay in gasoline taxes, without consulting the Legislature or even consulting the cabinet. He could set that tax at any figure, he could even double it arbitrarily, without coming back to the Legislature. Surely this House deserves better than that if we are to maintain a parliamentary system in Ontario.

**Hon. F. S. Miller:** Mr. Speaker, I think the implications in that question are quite serious. He is implying that somehow we would distort the marketplace assessment. All the law permits us to do is to use southern Ontario prices to determine the tax. We don't even use the price of fuel in the north; we are simply using southern Ontario prices that are factual. They are not subject to interpretation; they are factual. Percentage additions to price have been used for years; they have been used for a number of things such as alcohol and wine in the

past. We are simply changing our method of calculation.

### BUDGET INCREASES

**Mr. Peterson:** I have a question for the Treasurer. On page 22 of his budget he says, "President Reagan's program is clearly designed to promote economic growth and it will have positive spillover benefits for our economy." He is extolling the virtues of Reagan's economics: tax cuts and spending cuts. If he believes this is going to work in the United States, why did he adopt exactly the opposite philosophy of increasing taxes, punitive taxes as they are here?

**Hon. F. S. Miller:** Again, Mr. Speaker, the critic for the opposition shows how little he knows about the American system. He knows full well they don't have an indexed personal tax base. He knows full well I will in fact reduce the tax burden at any constant level of income even at the new rate next year.

Mr. Reagan, with his inflation-prone tax system in the US, automatically benefits from inflation. He can make a nominal rate change and it still gives them a lot more revenue in the course of the year.

The member's leader is telling him the answer to the next question so I hope he will listen carefully to both of us.

The fact remains that Canada took that kind of measure several years ago. My revenues from personal income taxes in this province this year would have been \$1.6 billion more than they are had we not had indexation in place. Therefore we are doing exactly what Friedman said a government would have to do, making a nominal rate change rather than profiting from inflation.

**Mr. Peterson:** Supplementary: The minister is now taking credit for indexation. In fact, his total take from personal income taxes this year will go up 22.4 per cent, which is beyond the level of indexation and the savings on the other end of the system, just so he understands it.

There is another discrepancy I do not understand in the minister's fiscal thinking: On the one hand, how can he give a \$250-million tax expenditure program on sales tax cuts which expire at the end of June, in large measure to encourage consumption, and on the other hand punish those people who have to buy fuel in order to travel and to move about this province? He is giving with one hand and robbing with the other hand. What does he really stand for, or is

he just trying to steal more money out of the public purse the easiest way he can? He is trying to pluck the goose with the least amount of hissing.

**Hon. F. S. Miller:** Again, when one sets the kinds of taxes one will increase or change in any way in the course of the year, one has to look at a given economic situation. I carefully explained on November 13 last year that we were in for two quarters of recession, that in fact savings levels were fairly high but the psychology of the marketplace had been such that many people were reluctant to buy things; that because interest rates were high there was some resistance to capital and durable goods. Therefore we took selective tax measures to create employment in this province. They were spectacularly successful. In the meantime, I came in with a cash requirement \$200 million less than I predicted at the beginning of the year.

**3 p.m.**

**Mr. Wildman:** Supplementary, Mr. Speaker: Could the Treasurer admit that the sales tax exemptions that will end at the end of June really only had the effect of moving around purchases, that we may indeed see a slowdown in those kinds of purchases after the end of June, and the only growth he is expecting is as a result of what he hopes will happen in the United States?

**Hon. F. S. Miller:** Mr. Speaker, again I did not even try to deny that at the time. I pointed out that I was not trying to create a great many more total sales but trying to put them into a time period when men and women in this province needed jobs, and I did that.

**Mr. Wildman:** Mr. Speaker, a question of the Treasurer: In view of the Treasurer's statement in budget paper A that over the past three years wage increases have greatly lagged behind inflation, how can the government justify personal tax increases and increases in Ontario health insurance plan premiums that will take an additional \$300 per year from the average family making up to about \$25,000 a year and putting the rates at the highest levels in the country, when at the same time he is refusing to increase taxation in the corporate sector one bit?

**Hon. F. S. Miller:** Mr. Speaker, I addressed the question of corporate taxation versus personal taxation by pointing out that in the last three or four years we have increased corporate taxes several times. Whether the member likes it or not, we are in a state of affairs where some



of our neighbour provinces are into a price war on corporate taxation. Quebec slashed the corporate tax rate from 10 per cent to three per cent. British Columbia cut it to eight per cent from 10 or 11 per cent. Our rates are now at the high end of the scale in this country. We have geographic advantages, but we cannot afford to have major tax disadvantages if we are interested in work.

**Mr. Wildman:** Will the Treasurer confirm that for a family of four earning about \$15,000 a year, the rate of tax is about 80.2 per cent when the personal income tax and the OHIP premium increase are taken into account; that for \$20,000 a year it is 69.7 per cent; for \$25,000 a year it is 65.3 per cent—not the ridiculous 48 per cent that he tries to maintain by ignoring OHIP premium increases?

**Hon. F. S. Miller:** Mr. Speaker, the member is making observations.

**Mr. Mancini:** Supplementary, Mr. Speaker: Has the Treasurer had an opportunity to read the fancy fact book that was put out by his colleague the Minister of Industry and Tourism (Mr. Grossman), where he stated that wages in Ontario were lower than in many other jurisdictions and that the time for construction of plants was significantly less in Ontario than in any other jurisdiction? He went on for 100 pages making statement after statement as to why industry could receive many benefits for coming to Ontario. Does the Treasurer not believe that he therefore had an opportunity to increase the corporate tax rate and go a little easier on the average working person?

**Hon. F. S. Miller:** Let me read back to the honourable member something his leader said, and I think he should understand what his leader said.

Interjections.

**Mr. Speaker:** Order. Order.

**Hon. F. S. Miller:** I can answer the member's question any way I want to—that is one of my rights—or I can refuse to answer.

**Mr. Speaker:** Order. Order. New question.

**Hon. F. S. Miller:** Mr. Speaker, I had not answered that question when you came to your feet.

**Mr. Speaker:** I did not know whether you were going to.

**Hon. F. S. Miller:** I wanted to, but he interrupted.

The Liberal leader said Canada cannot compete with industries in the developing world—

Interjections.

**Mr. Speaker:** Order, please. The minister is answering the question. If you want to hear it, fine. If you do not, we will pass it along to someone else.

**Hon. F. S. Miller:** Because Third World workers earn much less than Canadians, he said wage levels must be kept down if Canadian exports are to be competitive on world markets. Those are his words. One has to take a number of factors into effect when one looks at wage levels. We have had over the past years a reasonably good record of productivity increases versus unit cost increases, making our province quite competitive compared to our neighbours.

#### ASSISTANCE TO FARMERS

**Mr. Riddell:** Mr. Speaker, I have a question for the Treasurer. A statement appears on page 12 of the budget, one which he reiterated the other night probably with tongue in cheek, and I quote, "Let there be no doubt that this government fully recognizes the importance of the farm sector to the Ontario economy and the substantial contribution of the farming community."

Can the Treasurer indicate to us specifically how he intends to help the agricultural industry in this province in view of the fact little was said in the budget indicating any meaningful assistance to the farming industry?

Considering the percentage of the total provincial budget devoted to agriculture has been declining steadily over the years, certainly since I have been here, and now stands at one per cent—imagine, one per cent of the total provincial budget—and also, considering no mention was made of any action to be taken on the repeated request by the Ontario Federation of Agriculture for an immediate interest subsidy program and the reinstatement of the junior farmer establishment loan program, and considering there was no mention of the acreage improvement fund to drain a million acres of land in northern and eastern Ontario as promised in the BILD program, what is the Treasurer going to do to lend credence to his statement in the budget that this government fully recognizes the importance of the farm sector to the Ontario economy?

**Hon. F. S. Miller:** Mr. Speaker, he and his colleagues have read their questions well. I would point out—

Interjection.

**Hon. F. S. Miller:** At least I had the courage to do it, something he may never have had.

Interjection.

**Hon. F. S. Miller:** Yes, and a heart attack right afterwards.

**Mr. Speaker:** Order. The minister will address himself to the question, please.

**Mr. Cunningham:** What did you tell them in the campaign?

**Hon. F. S. Miller:** Listen, you are not worth answering.

**Mr. Speaker:** Order. Mr. Riddell asked the question and I presume he is anticipating an answer, Mr. Miller.

**Hon. F. S. Miller:** The member for Huron-Middlesex assumes that the promise in the budget to remove all property tax on productive agricultural land is not worth anything to the farmers of this province. I tell him, if he thinks that is worth nothing to the farmers of this province he had better go back to his riding and talk to some of the people there and discover it is a pretty important thing to the farmers of this province.

Second, the Minister of Agriculture and Food (Mr. Henderson) and I met and intend to keep on meeting with the Ontario Federation of Agriculture to do what we can to improve programs at a time when neighbouring jurisdictions like Quebec are getting a great deal of help. Do you know why? Because Quebec each year gets \$1.8 billion of federal transfers through the equalization program, \$1.5 billion of which comes out of Ontario.

**Mr. Riddell:** I wonder if the Treasurer could tell us what his proposed property tax change for 1982, if it comes in, is going to do to prevent further bankruptcies from occurring in the farming industry today? Whose backs are the members opposite going to ride on when the farmers can no longer carry them?

3:10 p.m.

**Hon. F. S. Miller:** The farm community itself will say that not all sectors are in trouble. They will define at least two groups, I understand— young farmers and red meat producers.

**Mr. Riddell:** What has the Treasurer got against young farmers?

**Mr. Speaker:** You have already asked your supplementary.

Interjections.

**Mr. Speaker:** Order. Order.

**Hon. F. S. Miller:** I have members in my family who are young farmers, in red meat production—beef farmers. I have some understanding of it. Father has to stay in this Legislature until we break even in the beef business, at which point I can retire. The honourable member has a vested interest in solving the problems of the beef industry—so I can go home.

**Mr. MacDonald:** Supplementary, Mr. Speaker: The Treasurer argues that the budget's contribution to the welfare of agriculture was in terms of relieving tax from farm land and buildings. He is being selective in saying this because he has also wiped out the 50 per cent rebate on taxes that now exists. Would he care to inform the House as to what the net impact of that is going to be for farmers? Are they going to get any increase at all since he has wiped out the 50 per cent—a fact he chooses to ignore?

**Hon. F. S. Miller:** Yes they will, Mr. Speaker. One of the problems we have right now is the definition of a farmer. I think the farm community is going to work with us on that. The honourable member and I would agree we do not intend to help hobby farmers or people who are using farms as tax evasion. We are interested in helping sincere farmers.

Right now the federal government is taxing back the 50 per cent grant Ontario has given farmers. Therefore our money is going into the federal Treasury. The honourable member and I have no vested interest in seeing that continue. We want to get our Ontario dollars back into Ontario farmers' pockets and there will be a material improvement.

## PROFITS ON HOUSING

**Mr. Philip:** Mr. Speaker, I have a question of the Treasurer, who failed to put into his budget the sort of housing speculation tax that I proposed in the resolution I tabled last Thursday. How can the Treasurer fail to take advantage of such an obvious source of revenue as the enormous speculative profits being made in the residential housing market? Why does his budget stick it to ordinary home owners without taxing housing speculators, particularly those who are making huge profits in the Metropolitan Toronto area?

**Hon. F. S. Miller:** Mr. Speaker, a fundamental difference between the honourable member's party and mine is trust in the marketplace. We used the speculation tax at a time when that marketplace was out of control. If the member had heard the Toronto Real Estate Board



announcement today, he would have heard about a tremendous slump in housing in Toronto in the last two weeks. They are predicting housing prices will fall 20 per cent by fall.

**Mr. Philip:** Perhaps I may send to the minister an example of that great marketplace he puts so much faith in. How can the Treasurer refuse to institute such a housing speculation tax to curb speculation which put up the price of a house on Beaches Avenue in Toronto by \$88,000? Is it the normal working of the marketplace that allows a house that sold in June 1980 for \$57,000 to be sold last month for \$145,000, even though it was by no means fully renovated? It gave a profit to that speculator of 196 per cent in eight months.

**Hon. F. S. Miller:** I hope at the luncheon with the real estate operators the member paid for his own lunch, now that he is attacking them. I understand that is who he had lunch with.

This is one of the traditional approaches the member's party has started to take lately—always to read a specific case into the record. Of course one will find specific cases, but that does not mean the whole system is not working.

#### SKILLS TRAINING

**Mr. Wrye:** Mr. Speaker, my question is also for the Treasurer. The Treasurer's budget for spending on apprentice and manpower training this year of some \$125 million is not one dollar higher than last year. This province is already short 3,000 skilled workers, and that figure could reach as high as 35,000 by 1985. In view of the fact there is room for only one out of every four students who want to enter apprentice programs today, how does the Treasurer justify cutting back spending when inflation is running, by his own rate, at 12 per cent? How does he justify not enriching the programs, as he should have done?

**Hon. F. S. Miller:** Mr. Speaker, under the Board of Industrial Leadership and Development program we have a good deal of emphasis on retraining and training. The ministers of Labour (Mr. Elgie) and Colleges and Universities (Miss Stephenson) are working very effectively, and I think they can give the member the details on the numbers of people entering skills training areas. I have been very encouraged by them. We have not solved all the problems, but let me assure the member a great deal of progress has occurred in two years.

**Mr. Wrye:** Since the Treasurer is so certain that funding is adequate to solve our shortage in the skilled trade area, to help get our economy

moving again and to reduce unemployment, maybe I could ask him how he justifies the increase in funding to our post-secondary institutions? There are institutions that are so hard pressed for money that they have begun to lay off staff, and I would point out to the Treasurer that the latest estimate of layoffs at community colleges alone numbers 500 academic and support staff. How does he justify so underfunding those schools that layoffs and unemployment have become the order of the day?

**Hon. F. S. Miller:** I wish the member would co-ordinate his questions with the front bench because I was hearing questions a few moments about spending too much money and wasting it. Now he is telling me to spend more.

**Mr. Cooke:** Supplementary, Mr. Speaker: I would like to ask the Treasurer why it is that in the recent changes in the tuition structure in this province we are now in a position in Ontario where the students of the province are contributing as much to post-secondary education as the province is because the rest of the money comes from the federal government? What does the Treasurer have against working-class kids going to university in this province?

**Hon. F. S. Miller:** Mr. Speaker, I do not know what the member's background is, but I am a working-class kid who went to university. I did not get any assistance. There was no government help at the time I went. We pay five sixths of post-secondary education at this time through general revenues.

#### SPADINA EXPRESSWAY

**Mr. R. F. Johnston:** My question is to the Premier, Mr. Speaker, with regard to his intervention yesterday in the committee's deliberation on the Toronto bill on the Spadina Expressway and his seeming move away from his promises of as early as 1975 to have a three-foot strip granted to the city of Toronto.

Will the Premier tell us why he asked us not to pass that motion when the motion only allowed the city to receive that land, if granted, not ordering it to be granted, when he knows that motions from York in opposition to that have been around for at least two years and what they are mainly concerned about now is compensation? Why did he use the term "lease" for the first time in any correspondence I have seen from him, rather than the word "grant"? Was it to make us all feel that perhaps his commitment to the stopping of the Spadina Expressway is not as strong now as it used to be?

**Hon. Mr. Davis:** Mr. Speaker, the Leader of the Opposition—I will not say erroneously, but I think questionably—raised this as a matter of privilege or whatever it was.

**Mr. Smith:** Legitimately.

**Hon. Mr. Davis:** Why does he not just ask a question about it, like the member for Scarborough West?

**Mr. Smith:** I don't need any instructions from the Premier on how to raise points of privilege.

**Mr. Speaker:** The Leader of the Opposition has had ample opportunity to ask his question. With great respect, I would suggest that the privileges of the back-benchers of this House be recognized.

**Hon. Mr. Davis:** Mr. Speaker, I was really trying to solve the problem for two members who had raised this in another fashion earlier, so I would not have to deal with it twice.

I did not make an intervention yesterday. I wrote a letter to the chairman of the committee. I personally did not attend. I see in the third from last paragraph where the phrase was used, "by way of grant or lease." The word "grant" is still very much there. I notice that the member perhaps overlooked that and perhaps the member for Parkdale (Mr. Ruprecht) did not really see that when he was making his reference. I just want to point it out.

**Mr. Smith:** Read page one, paragraph three.

**Hon. Mr. Davis:** Does the member want me to read the whole letter? I really do not think it matters.

3:20 p.m.

This issue was really decided in 1971, not in 1976. As I pointed out on a number of occasions, it has now been some 10 years since the Spadina Expressway, technically the Allen Expressway—it has been called other names—

**Mr. T. P. Reid:** The Davis ditch.

**Hon. Mr. Davis:** That is correct. I know the party opposite would have built it. Their leader went to one of the very distinguished controllers in North York urging her to be a candidate. I know why. Unlike the Liberal Party of this province, we do not flip-flop on issues. Our position on this has been totally consistent.

I met with the mayor of the great city of Toronto some two weeks ago. We discussed a number of issues and this was one of them. I made it quite clear to him that I did not think the solution lay in a city of Toronto private bill. I think this is a matter of provincial government policy enunciated by this government. We have

sought and will continue to seek ways and means to bring it to some finality. I also pointed out, though, something the member should remember—and I am sure the mayor of this city understands this too—that as long as I am Premier the Allen Expressway will not be extended below Eglinton Avenue.

**Mr. Smith:** As long as you are Premier, that is right; exactly.

**Hon. Mr. Davis:** Be polite for a change and listen. You might learn something.

**Mr. Cassidy:** That is a new loophole.

**Hon. Mr. Davis:** No, there is no loophole.

The member has been talking about the parliamentary system and democracy. The reality is that no matter what mechanism is used, whether it is a grant to the city of Toronto, whether it is a 99-year or 2,000-year lease, this Legislature in its wisdom—and I think it would be a lack of wisdom—would have the legal capacity to expropriate that three-foot strip. If this Legislature decided to do so at some point in history, it could build the Spadina Expressway. That is the reality.

I say to the people of this great city, to the member for St. George (Ms. Fish), who was on top of this well before the member for Parkdale and well before the Leader of the Opposition, who is totally ambivalent on this subject, that as long as I am Premier, no matter what legal device may be used, the Spadina—

**Mr. Cassidy:** That is the new loophole. It is like rent control.

**Hon. Mr. Davis:** It is not a new loophole. Speak to the member for Riverdale (Mr. Renwick). He will tell the the leader of the New Democratic Party what the facts of life are in terms of what the law can and cannot do. We will solve this problem. As long as I am head of the government of this province, I say—regretfully for some citizens—the Spadina Expressway will not go below Eglinton Avenue.

**Mr. R. F. Johnston:** Unlike the members opposite, I am not saying the Premier only mentions the word "lease." He does mention "grant," but it is the first time he mentions lease and a number of us are concerned about that because of the greater flexibility. Will the Premier give us a promise today to show his intent is true and not just that some time in the far future we will get action? Since the Premier is not accepting a private bill, will he bring in legislation now before the summer recess so that we can pass a bill providing that three-foot strip and any compensation he needs to give to



York to buy them off?

**Hon. Mr. Davis:** I do not quarrel with the balance of the member's question, but regarding the last phrase of his question, I have never looked upon this as giving compensation to buy off York. The chief magistrate of that community has some points of view. I gather from the press they may not be exactly what I felt they were a year or so ago in our exchange of correspondence. If the mayor of that great municipality is now saying she agrees there should be some negotiation to solve it, that is what we have been seeking for five years.

Once again, I point out in very simplistic terms, we would like to have had this settled two or three years ago. We are dealing with people who have different points of view. We do not want to impose if we do not have to. The reality is that there has not been a grader or a yard of concrete laid south of Eglinton Avenue since 1971, and I can say until 1984, and perhaps beyond, it will not happen—as long as I am Premier of this province.

**Mr. Smith:** Supplementary, Mr. Speaker: Since the concern in Toronto is that the Premier may have reached an agreement with certain individuals that during his stewardship of the government nothing will happen, but that he will do nothing to put a permanent block in the way, may I ask how he reconciles that with his present statement in his letter of May 19, "When I first made that commitment, it was my understanding there was opposition . . ." and so on, and he said his intention was to lease a three-foot strip, even though his commitment clearly said the government would grant to the city a three-foot reserve.

Since he now says nothing is really permanent, why did he not say that in 1975 when he said, "I would hope this would be more than a symbol of our resolution with respect to Spadina, but a legal, permanent barrier, the presence of which would end all future speculation and diminish for all time the aspirations of those who continue to hope for some future reversal of the Spadina decision"?

If it is all the same, a lease, a grant, or anything else, why does the Premier not do what he originally promised and grant, not lease, the three-foot strip to the city of Toronto as he originally led people to believe he would?

**Hon. Mr. Davis:** Mr. Speaker, with great respect, the Leader of the Opposition is perhaps unintentionally and perhaps without sufficient knowledge distorting it.

**Mr. Smith:** On a point of privilege, Mr. Speaker, I have read the Premier's speech into the record. If I am distorting, it is simply because I have quoted verbatim the Premier's speech of 1975.

**Hon. Mr. Davis:** I really do not wish to get into a legal argument with the Leader of the Opposition. My commitment or the government's commitment is very clear, and that is not to see the Spadina Expressway extended south of Eglinton Avenue.

**Mr. Smith:** You will close your eyes and you will not see it happen.

**Hon. Mr. Davis:** At least I have not said to half a dozen different people that I may or may not do it, unlike the member. We have been totally consistent on this issue and we are going to stay consistent on this issue. Our task is to get some reconciliation if possible between the city of Toronto and the borough of York. The borough of York has been less than enthusiastic about granting that three-foot strip of land.

**Mr. Smith:** So now it is a lease.

**Hon. Mr. Davis:** Listen, the member should ask the legal adviser on his right. One can grant a lease. That may come as a great shock to him. Is that not right, I ask the member for Kitchener (Mr. Breithaupt)? One can have a lease that has the binding effect of a grant.

I was pointing out to the member for Scarborough West (Mr. Johnston) that this Legislature can pass a bill—I make this clear—giving three feet to the city of Toronto. It is also possible for this Legislature at some future point—it will not happen as long as I am in this position—to pass a bill taking away that three-foot strip.

The reality is we will have this problem solved. I cannot say to the honourable member it will be done by the end of June. I told the mayor of the city—this was two weeks ago—that we hoped to have it finished during this session. I hope we can do it by way of negotiation so that it is not necessary for us to pass legislation.

**Mr. Speaker:** The time for oral questions has expired.

**Ms. Copps:** On a point of order, Mr. Speaker: I understand the Premier said in his remarks today that he had some correspondence with the chief magistrate of the borough of York. Having sat on the standing committee on general government yesterday, where there appeared to be some—

**Mr. Speaker:** What is your point of order, please?

**Ms. Copps:** My point of order is, has there been correspondence between the—

**Mr. Speaker:** That is not a point of order.

**Ms. Copps:** Would the Premier be prepared to table the correspondence he has had with the chief magistrate?

**Mr. Speaker:** Order. Would you resume your seat please?

**Mr. Cunningham:** On a point of privilege, Mr. Speaker: Having attended the same sessions, I must admit there is some confusion for some of us in view of the variance in the statements made by the Premier and the chief magistrate for the borough of York.

**Mr. Speaker:** Order. Would you identify your point of privilege? Have your privileges been abused?

**Mr. Cunningham:** Oh yes. I believe we have been misled. The chief magistrate says one thing; the Premier says another. What is the story?

**Mr. Speaker:** That is not a point of privilege.

## REPORT

### STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government presented the following report and moved its adoption:

Your committee begs to report the following bills without amendment:

Bill Pr6, An Act respecting the city of Lambton;

Bill Pr7, An Act respecting the city of Windsor.

Your committee would recommend that the fees less the actual cost of printing be remitted on Bill Pr7, An Act respecting the city of Windsor.

Motion agreed to.

3:30 p.m.

## INTRODUCTION OF BILLS

### LIVESTOCK BRANDING AMENDMENT ACT

Hon. Mr. Henderson moved, seconded by Hon. Mr. Bernier, first reading of Bill 74, An Act to amend the Livestock Branding Act.

Motion agreed to.

**Hon. Mr. Henderson:** Mr. Speaker, the purpose of this bill is to remove the individual

identification of purebred livestock from the act.

### TOWN OF WASAGA BEACH AMENDMENT ACT

Hon. Mr. Wells moved, seconded by Mr. McCague, first reading of Bill 75, An Act to amend the Town of Wasaga Beach Act, 1973.

Motion agreed to.

**Hon. Mr. Wells:** Mr. Speaker, the section to be added by this bill deems the town of Wasaga Beach to be a township municipality for the purposes of the Public Transportation and Highway Improvement Act.

### TOBACCO TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. McCague, first reading of Bill 76, An Act to amend the Tobacco Tax Act.

3:55 p.m.

The House divided on Hon. Mr. Ashe's motion for first reading of Bill 76, which was agreed to on the following vote:

#### Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Breaugh, Bryden, Cassidy, Charlton, Cooke, Cousens, Davis, Dean, Di Santo, Drea, Eaton, Elgie, Eves, Fish, Foulds, Gillies, Gordon, Grande, Gregory, Grossman;

Harris, Henderson, Hodgson, Johnson, J. M., Johnston, R. F., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, Mackenzie, McCaffrey, McCague, McLean, Miller, F. S., Mitchell, Norton, Philip, Piché, Pollock, Pope, Ramsay, Renwick, Robinson, Rotenberg, Runciman;

Samis, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Stokes, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Wildman, Williams, Wiseman, Yakabuski.

#### Nays

Bradley, Breithaupt, Copps, Cunningham, Eakins, Edighoffer, Elston, Haggerty, Kerrio, Mancini, McEwen, McGuigan, Newman, O'Neil, Peterson, Reed, J. A., Riddell, Ruprecht, Ruston, Smith, Spensieri, Sweeney, Van Horne, Worton, Wrye.

Ayes 79; nays 25.

4 p.m.

### INCOME TAX AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. F. S. Miller, first reading of Bill 77, An Act to



amend the Income Tax Act.

**Mr. Speaker:** Shall we dispense with the bells and take the same vote?

**Some hon. members:** No.

**4:40 p.m.**

The House divided on Hon. Mr. Ashe's motion for first reading of Bill 77, which was agreed to on the following vote:

**Ayes**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman;

Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener;

Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman,

**Nays**

Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Foulds, Grande, Haggerty, Johnston, R. F., MacDonald, Mackenzie, Mancini, McEwen, McGuigan, Miller, G. I.;

Newman, O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Riddell, Roy, Ruprecht, Ruston, Samis, Smith, Spensieri, Stokes, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 64; nays 42.

**ONTARIO PENSIONERS PROPERTY TAX ASSISTANCE AMENDMENT ACT**

Hon. Mr. Ashe moved, seconded by Hon. F. S. Miller, first reading of Bill 78, An Act to amend the Ontario Pensioners Property Tax Assistance Act.

Motion agreed to.

**CORPORATIONS TAX AMENDMENT ACT**

Hon. Mr. Ashe moved, seconded by Hon. Mr. McCague, first reading of Bill 79, An Act to amend the Corporations Tax Act, 1972.

The House divided on Hon. Mr. Ashe's motion for first reading of Bill 79, which was

agreed to on the following vote:

**Ayes**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, Miller, F. S., Mitchell;

Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman.

**Nays**

Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Foulds, Grande, Haggerty, Johnston, R. F., MacDonald, Mackenzie, Mancini, McEwen, McGuigan, Miller, G. I., Newman;

O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Riddell, Roy, Ruprecht, Ruston, Samis, Smith, Spensieri, Stokes, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 64; nays 42.

**4:50 p.m.**

**RETAIL SALES TAX AMENDMENT ACT**

Hon. Mr. Ashe moved, seconded by Hon. Mr. McCague, first reading of Bill 80, An Act to amend the Retail Sales Tax Act.

Motion agreed to.

**RACETRACKS TAX AMENDMENT ACT**

Hon. Mr. Ashe moved, seconded by Hon. F. S. Miller, first reading of Bill 81, An Act to amend the Racetracks Tax Act.

Motion agreed to.

**INSURED HEALTH SERVICES ACT**

Mr. Philip moved, seconded by Mr. R. F. Johnston, first reading of Bill 82, An Act respecting Insured Services under the Ontario Health Insurance Plan.

**Mr. Speaker:** Shall the motion carry? Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the nays have it.

May we dispense with the bells? Bring in the members.

If all members will remain in the chamber, we

can carry on very quickly.

The House divided on Mr. Philip's motion, which was negatived on the following vote:

#### Ayes

Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Foulds, Grande, Haggerty, Johnston, R. F., MacDonald, Mackenzie, Mancini, McEwen, McGuigan, Miller, G. I., Newman, O'Neil, Peterson;

Philip, Reed, J. A., Reid, T. P., Riddell, Roy, Ruprecht, Ruston, Samis, Smith, Spensieri, Stokes, Sweeney, Van Horne, Wildman, Worton, Wrye

#### Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy;

Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, Miller, F. S., Mitchell, Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman;

Scrivener, Sheppard, Shymko, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman.

**Mr. Speaker:** Mr. Smith, on a point of order.

**Mr. Smith:** On a point of order Mr. Speaker: The record will—

**Mr. Speaker:** Order. You will have to wait until this is over.

**Mr. Smith:** Well, it's on the subject of the vote, but I'll wait.

Ayes 42; nays 63.

#### 5 p.m.

**Mr. Smith:** On a point of order, Mr. Speaker: I would like to indicate as a matter of historical significance that this is the first time the Premier (Mr. Davis) has voted on a private member's bill. He has never previously voted on a private member's bill—

**Mr. Speaker:** That is not a point of order, Mr. Smith.

**Mr. Smith:** —and this was a bill to provide—  
Interjections.

**Mr. Speaker:** Order, please. Order, Mr. Smith. You are out of order.

**Mr. Cassidy:** On a point of order, Mr. Speaker: As a member of the select committee on the

Camp commission report of about five years ago, I was in part responsible for the procedure under which private members' legislation was put in a form that, to this Legislature, was more progressive and, I think, more reflective of the need to give private members rights than in any other parliamentary system in Canada and possibly within the whole parliamentary system around the world. It is a matter of great regret to me that the government has chosen to use its majority power to prevent a member—

Interjections.

**Mr. Speaker:** Mr. Cassidy, order. Order. It is not a point of order; nothing is out of order. You did not raise a point of order, so therefore I declare that—

**Mr. Cassidy:** If I may be permitted to make my point of order, then you would—

**Mr. Speaker:** I will allow you to identify your point of order if indeed you have one.

**Mr. Cassidy:** Mr. Speaker, my point of order was that the privileges of the private members of this House have been abrogated by the government's action in preventing the right of a private member to get his or her legislation on to the Order Paper.

**Mr. Speaker:** There was nothing out of order.

**Hon. Mr. Timbrell:** On a point of order, Mr. Speaker: I would ask you to consider, on the whole question of the introduction of private members' bills, whether any proposal that involves a change in the benefits under the Health Insurance Act or any similar piece of legislation constitutes a money bill and is therefore out of order.

**Mr. Foulds:** On that point of order, Mr. Speaker: The government is fond of saying OHIP premiums are not a tax. If that is so, the minister cannot have it both ways.

**Mr. Speaker:** I think the standing orders are quite clear on the parameters and guidelines for private members' bills. I have not seen the bill, of course, and I will take a look at it.

**Mr. Philip:** On the point of order raised by the Minister of Health, Mr. Speaker: The bill in fact is permissive; it uses the word "may," not "shall." This same identical bill was introduced in the last session of the Legislature and was carried on first reading. Therefore I suggest to you that it is not ordering the expenditure of money and therefore is in order, and I ask you to consider that.

**Mr. Speaker:** Thank you very much, and indeed I will.



**Hon. Mr. Timbrell:** Mr. Speaker, I submit to you—and I know you will give it careful consideration and rule at some future point—that any legislation introduced from any point in the House other than the Treasury benches that involves the possible expenditure of public moneys is in fact a money bill and is out of order.

**Mr. Cassidy:** On a new point of order, Mr. Speaker: I would ask you as Speaker and as the defender of the rights of the private members of this House to consider very carefully, to consult with those people with whom you consult and to consult the authorities, with respect to the use of the majority to prevent a private member's bill from coming to this Legislature. If that were to become a precedent it would mean that a member of the opposition could never exercise his rights to use the private members' hour, and that is indefensible.

Interjections.

**Mr. MacDonald:** I have a small point of order, Mr. Speaker. I draw to your attention, and I hope this will not happen again, that the Leader of the Opposition rose out of order in the middle of the vote to make his point of order. Therefore, that apparently gave him precedence to have a point of order; you gave it to him even though the leader of this party rose to deal with an issue that was within this party's consideration with the introduction of that bill. If the Leader of the Opposition rose out of order he has no precedence.

**Mr. Breithaupt:** That is a small point.

**Mr. MacDonald:** I agree.

**Mr. Speaker:** That was not the point on which he was recognized. In fact he rose, as the member said, out of order. He was called and he retained his seat. The Leader of the Opposition is just that—the leader of the official opposition. In the matter of rotation we have always recognized that points of order, questions and so forth start with the official opposition; then they go to the New Democratic Party.

**Mr. Cassidy:** So you gave him precedence.

**Mr. Speaker:** I recognize that, but that has happened before on supplementary questions. I have always recognized in rotation, and I will continue to do so in fairness.

**Mr. Roy:** Mr. Speaker, on the point of order—

**Mr. Watson:** You are back, Albert. You did get in.

**Mr. Speaker:** Order.

**Mr. Roy:** I think he has raised a valid point of order for your consideration, in the sense that the standing orders have set aside times for private members' business and bills. I think it is important that you consider the government's use of its majority in this fashion. The member made the point it would prevent the introduction of a private member's bill. I ask you, Mr. Speaker, to give that matter serious consideration. It could undermine any attempt by an opposition member to introduce legislation. I quite understand that members are embarrassed by their actions across the way—

Interjections.

**Mr. Speaker:** Order.

**Mr. Roy:**—but I think it highly improper. They should be ashamed over there.

Interjections.

**Mr. Speaker:** Order. That point had been raised and identified earlier. I have assured the House I will give very close consideration to the point raised.

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day could I have the consent of the House to revert to motions?

Agreed to.

## MOTION

### PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Wells moves that notwithstanding any standing order of the House the ballot item of the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) be deferred for consideration until next Thursday, May 28, and that the scheduling according to the order of precedence be revised accordingly.

**Hon. Mr. Wells:** The point is, Mr. Speaker, that for the remaining time today we can handle the ballot item of the member for Port Arthur (Mr. Foulds).

Motion agreed to.

## ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day I wish to table the answers to the following questions standing on the Notice Paper: 75, 79, 80, 81 and 86; and the interim answers to questions 82 to 85 inclusive and 87 and 88. [See Hansard for Friday, May 22.]

5:10 p.m.

## ORDERS OF THE DAY

### PRIVATE MEMBERS' PUBLIC BUSINESS GOVERNMENT ADVERTISING CONTROL ACT

Mr. Foulds moved second reading of Bill 3, An Act respecting Advertising by Governmental Organizations.

**Mr. Foulds:** First of all, Mr. Speaker, I would like to reserve whatever time is available to me to wind up, and I would also like to thank two servants of the Legislature who have helped me with the legislation.

I would, first of all, like to thank David Phillips of legislative counsel, who has always provided private members with excellent work in drafting bills. He did an exceptionally fine job in drafting this one, because I think he avoided in legislative terms some of the pitfalls and some of the obvious arguments that could be used against a different kind of legislation. What we have done here is not to try to ban a certain kind of advertising such as lifestyle advertising or advocacy advertising, which is very difficult to define in legislative terms; we have got to the heart of the matter and prohibited advertising of a certain type. I will get to that in a moment.

Second, I would like to thank Don Krueger of the legislative library research and information services, who threw together a good many articles about this question from magazines across the world—United States publications, Canadian publications, trade publications and European publications.

It is a question that has begun to cause considerable concern to advertisers themselves, to social scientists and to politicians. There is a good deal of very interesting and intriguing literature on the topic, and I recommend it to members of the House.

It is a real pleasure to introduce and to have had this bill come to debate, because it is, in my view, extremely important to have a public debate about the scope, the purpose and the need for government advertising. Bill 3, along with its companion bill, Bill 4, which we will not be debating today but which I hope the government will introduce at some future time, would severely restrict government advertising. But it is important to understand that it does not ban government advertising nor does it abolish so-called lifestyle advertising. Maybe that should be done, but that is another argument.

Bill 4 bans all government advertising during the course of an election, except if it is an emergency, and that emergency has to be agreed by the leaders of the opposition parties.

Bill 4 is modelled after the Saskatchewan legislation, which withdraws all government advertising during the course of an election campaign.

Bill 3 very simply says, and this is the heart and core of the principle of the bill: "No governmental organization shall advertise if the effect of the advertisement is to promote directly or indirectly the political party to which the members of the executive council belong." That is the heart of the bill; that is the important principle that I believe this Legislature must approve and must pass.

If this bill in principle is not passed, it is a clear admission by the government party that it has been using public funds to promote its party interest, and I recognize the seriousness of that charge. If the principle of this bill is defeated or blocked, those voting against it are voting against a very fundamental principle.

There may be other clauses in the bill that need some revision and I would be happy to do that during debate in committee stage.

I do quite genuinely expect support from all parties. My friends from the official opposition, the Liberal Party, have indicated they will support the bill. People in my own caucus have said they will support the bill. The minister who is now the Provincial Secretary for Resources Development (Mr. Ramsay) has publicly gone on record to say he is opposed to government advertising of the kind I am objecting to. I quote from an article printed in the *Globe and Mail*, March 13, 1981:

"The Conservative candidate for Sault Ste. Marie in the Ontario election says he is embarrassed by the government ads. Russ Ramsay, PC member in the last Legislature, said that if he were in a position to have the final say he would not allow the ads to run. Mr. Ramsay, a former broadcaster, made this statement in response to a suggestion at a public meeting that the ads—particularly 'Preserve It, Conserve It' and 'Good Things Grow in Ontario'—were blatant messages aimed at the voter and were immoral."

So I expect there will be support from all sides of the House on second reading and that there will be suggestions from the government members to improve the legislation.

Let me outline the reasons for the bill:

First, government advertising in Ontario has grown by leaps and bounds in the past four years. The expenditure has grown, at least doubled if not quadrupled, since 1976, while other areas of government expenditure such as hospital beds, social services, et cetera, have



been restrained to the point of cutbacks. From what I am able to gather from the Provincial Auditor's figures, this area of government expenditure had gone up to at least \$23 million by March 1980. That is the first reason we need a bill of this kind: because the kind of advertising the government is getting into is very extravagant.

Second, the report of the Office of the Provincial Auditor dated January 14, 1981, indicates some serious concerns by the auditor. After determining that total government advertising costs for the fiscal year ended March 31, 1980, were at least \$23,874,432, the auditor went on to say: "In addition to the amount shown in the summary, we have determined that some advertising costs have been included in the services code 471—other services."

In other words there were additional expenditures. They did not know how much, and the auditor goes on to say it would be a very lengthy and expensive investigation to determine that. At that point the auditor and the public accounts committee did not have a further opportunity to report to the Legislature because the election had been called on February 2.

The auditor goes on to say: "It is also possible that advertising costs have been included in other service codes." So as well as the two categories he could clearly define and account for, there are serious possibilities that there are additional hidden sums of government money being spent on advertising.

Third, there was a clear and crass abuse of public funds to promote the Progressive Conservative Party by the use of government advertising—most blatantly in the last two years. In particular, the kind of advertising such as the Ministry of Energy's "Preserve It, Conserve It," the Ministry of Agriculture and Food's "Good Things Grow in Ontario," and the Ministry of the Environment's "You're Clean Ontario," clearly have no informational value for the public. These advertising campaigns merely promote the political party in office. They do not supply to the electorate a needed service; they are propaganda pure and simple—clever and slick but propaganda.

I have more ambivalent feelings about tourist advertising. The advertising done by the Ministry of Industry and Tourism, particularly outside the province, can be advocacy advertising and it should be, to encourage people to come to Ontario. The only government advertising I have seen on the Buffalo channels from New York state is deliberate government advertising

to encourage Ontario people to go and visit New York state. That is legitimate.

I have not been able to check whether this is done legislatively or not, but it is interesting that New York state does not advertise heavily on the American channels that we get in Toronto—not the way both the federal and provincial governments do here.

**5:20 p.m.**

Fourth, there has been a deliberate attempt by the government to conceal the total amount of the advertising budget. Last fall when I put a question on the Order Paper, number 301, asking for the details of government advertising expenditures, it was simply not answered. That question was followed by a series of detailed questions for each ministry put by members of the Liberal Party. By December 12, when the House adjourned, those questions all remained unanswered even though an interim answer on October 20 and 21 promised that information would be available on November 30.

This spring the questions have been put again by me, along with a series of detailed ones by members of the Liberal Party. Again the interim answer has been that the answer would be ready in mid-June, just before the House adjourns. What bothers me is, it is my information that the information has been gathered internally, is available for tabling and the government simply will not release it. I ask the serious question, why is the government hiding this information?

Fifth, the government continued to run—and this is quite serious—those questionable ads at the best times during the course of the recent election campaign. The massive expenditure of public funds on provincial government advertising by the Conservatives leading up to and during the past election campaign was a shameful abuse of power and a scandalous waste of taxpayers' money. The "Preserve it, Conserve it" campaign was cynically designed by a government too long in power. It was designed for straightforward propaganda reasons and for crass political gain.

The Election Finances Reform Act of this province was clearly intended to control advertising during elections. The Conservatives found a loophole in that law and used it ruthlessly. They seem completely unconcerned that they were violating the principles of that law and were forcing the taxpayers to pay for their electioneering.

**Mr. Bradley:** The Commission on Election Contributions and Expenses did nothing about

it.

**Mr. Foulds:** Exactly, and I hope the member who interjects will make that point because it is an important and valid one. If I have time I will at least try to refer to it in my remarks.

I must say that in the trade journals I examined, it would appear the federal government has been just as guilty. I suspect other provincial jurisdictions have been just as guilty. I quote from the advertising and marketing section of the August 23 edition of the *Financial Post*. This was about the Canadian unity campaign that was designed federally. "There is some negative feeling among the advertising community on two fundamental issues: one, that the campaign is a waste of government money because other problems should have a higher priority; and secondly, if there has to be a campaign, then the soft-sell, mushy approach is far from effective."

If it is to convey information, I think the soft-sell, mushy approach of that kind of advertising fails.

Another executive, R. James McCoubrey, president of Young and Rubicam, was equally unimpressed. He said: "The tone of the campaign is superficial and doesn't provide any information that is useful or relevant. I believe that it is intended to nudge opinion polls so that the government can act unilaterally. It is a sorry thing to use that pap to touch the national conscience."

The same can be said of the environmental ads and the energy ads. It is interesting that private advertising at least has to meet the ethical standards developed by the advertising industry, and section 36 of the Combines Investigation Act disallows statements that are misleading or false. There is no such protection against government advertising. Why is it our democracy has no protection against misleading advertising by government and no avenue to challenge government propaganda?

I want to refer briefly to the fact that when the member for St. Catharines (Mr. Bradley) brought this matter to the attention of the Commission on Election Contributions and Expenses, it decided not to act. Chairman Arthur Wishart was quoted as saying, "The act does not give the commission authority to look at government advertising." He added: "A commission created by government should not advise the government on what or how to advertise. It would be an error and the commission is not competent to do it." I suggest that my bill would give the commission authority to do it and that the commission should get the competence to do it,

because some supposedly neutral watchdog has to protect us and the public.

Finally, I want to refer to an article by Morris Wolfe in *Saturday Night* of December 1980, in which he makes a very interesting argument against advocacy advertising, particularly by government. It is not an argument I entirely agree with but he makes comments that I think are worth reading into the record. He talks largely about the federal government's unity campaign, but he also says:

"Because Ontario supports the federal government's position on the constitution, it hasn't felt the need to become involved in constitutional advertising of its own"—as some other provinces did—"but it has found other ways to use advocacy advertising. A public opinion survey commissioned by the Ontario government revealed that people in Ontario were concerned about the environment and felt the provincial government wasn't doing enough to protect it. So the government simply hired an ad agency to change the public's perception."

It is cheaper to change the way people think than to change reality; that is the shameful thing. The government did not move to change the environmental problems; it moved, by an advertising campaign, to change people's perception of the problems.

"One TV ad offers some vignettes of beautiful Ontario—deer lapping water, et cetera—while an actor says, 'I am an engineer. I work all over the world, and Ontario is the cleanest place I know. . . . As Leonard Brockington, the first chairman of the CBC, put it in 1939, 'Above all, there should be no preference for wealth. Freedom of speech is not for sale.'"

Unfortunately, we now recognize in this day and age freedom of speech is for sale. Governments with huge advertising budgets, companies with huge advertising budgets can say more than the average person, and they can say it effectively through those media.

I think there is a legitimate place for government advertising, obviously to promote tourism outside our borders, or to promote useful programs such as the use of seatbelts. I think that is legitimate. I think some health ads, although I disagree with some of the lines and the flavour of them, can change lifestyles, such as the Participaction ad that encouraged people to keep fit. Even some of the Ministry of Consumer and Commercial Affairs ads, such as "You Are Your Own Liquor Control Board," have a value and a place. It is not all cut and dried, and that is why I have tried in this bill to



tackle it the way I have.

As to Hydro ads, it is legitimate for Hydro to advertise, it seems to me, in order to compete with Imperial Oil and natural gas. I have some questions about the truth of some of their ads, of some of the styles, and I have serious questions about the timing. That little man holding a piece of uranium in the palm of his hand was misleading in image, if not in substance. While I disagree with that particular ad, I do not disagree with a crown corporation like Hydro having the right to advertise.

I would like to conclude with a few general remarks. I believe it is extremely important that the government have a responsibility to do more than live up to the letter of the law. It has the responsibility to set an example for everyone in the province. To make that responsibility crystal clear, I have introduced this bill and we are debating it on second reading.

The bill I am proposing today makes both the letter of the law and the spirit of the law much clearer. If passed, it would allow the government to engage in legitimate government advertising that includes informing the populace about the many government programs available, such as those for the farmers through the Ministry of Agriculture and Food. There is very little advertising spent on that, but a lot spent on "Good Things Grow in Ontario."

#### 5.30 p.m.

It is legitimate for government to include some kind of advertising to counter propaganda from the private or private-interest sectors, such as citizens' coalitions, which may be attacking worthwhile government programs. However, what this bill does is to separate the interests of the people as represented by the government from the interests of the party that happens to form that government.

**Mr. Robinson:** Mr. Speaker, I am pleased indeed to have the opportunity to speak in the debate on the bill introduced by the member for Port Arthur. It is most gratifying to be able to participate in a debate that so earnestly and obviously concerns itself with the public good; but then that appears to be a supposed exclusive specialty in the member's party. To me the idea that a government of which I am proud to be a member is somehow misusing public funds to promote partisan ends is insulting and borders on slander.

Like nearly everyone in this fine province I have been exposed to a great deal of advertising by this government. I do not want to deviate

from the subject of the debate, but I would like to say that the quality of this government's advertising is first rate. We are regarded as a pacesetter by those in the know in the advertising and marketing world. Quite frankly I am very glad that it is so.

Far from being an indication that the government is somehow derelict or irresponsible, the amount and quality of Ontario's advertising is essentially and primarily a sign of this government's determination to communicate with the people of this province. Our advertising is a sign of our determination to promote the highest possible quality of life for our people. It is a sign of our determination to involve everyone as fully as possible in all aspects of life here.

**Mr. Riddell:** What a lot of hogwash.

**Mr. Robinson:** Hogwash is something the member for Huron-Middlesex may be familiar with.

To suggest that our motives are less than this is blatant nonsense. Perhaps it is motivated continually by the envy of the choice made by Ontarians last March 19. Certainly the insinuations and innuendoes that appear to lie behind this bill are most reprehensible.

I invite the assembly to consider for a few moments the reality of communication today. As the late, great Ontario citizen Marshall McLuhan said so often, "We live in a world that is saturated with information." We have on the one hand hard-sell messages from the honourable merchants of all kinds of substances that, used in moderation, are not harmful to our citizens. On the other hand there is a tremendous need for a countervailing force, for information in an accessible and persuasive format to remind our people that, in spite of all the temptations there are in the marketplace to let our eating habits go, for example, or to abuse the consumption of alcoholic beverages, it is up to the individual to take personal responsibility for his or her own good health.

Good health does begin at home. It is imperative that the government spread this kind of message. Who else will? Who else has the resources? Who else has the concern for human welfare?

I am well aware that this is not the type of ad that the honourable members opposite are howling about. I think their basic complaint may rest in the very name of our party. It is pretty hard to imagine a decent ad using words that even remotely resemble "the New Democratic Party of Ontario." We are promoting public awareness of the importance of sound



health, a clean environment, energy conservation and other important issue areas because it is incumbent upon us as a government to do so.

My party has served the people of Ontario well and honourably for a good number of years. At this point in time nearly any communication emanating from our ministries is bound to be identified to some extent with the Progressive Conservative Party, if only because people have come to expect this party and this government to provide the best in services and management of our province.

To prohibit the honourable ministers of this House from being identified by name and thereby associated with ministry programs would in essence deny the voting public the privilege of knowing to whom they should throw their bouquets as a reflection of their opinion on the program.

If I may, I would like to do a little show and tell at this point. Some members of the third party have a habit of referring to Saskatchewan—and the member for Port Arthur mentioned it again a few moments ago—as some kind of exemplary Utopia. I believe that has something to do with the prevailing government there; I could be wrong. I would like to show members the kind of advertising done by the New Democratic government of that province. A publication called Trade and Commerce is distributed across the Prairies and has full-page, full-colour ads on behalf of the government of Saskatchewan, naming the ministers.

Let us go further: let us look at some of their newspaper advertising for a minute. On urban affairs: "Renters Apply for Your Rebate." For National Wildlife Week—there is something the NDP can associate with—"It's Cookout Time for Kebobs"; of great provincial significance, I am certain. Then they want to talk about energy for a minute, preserving and conserving it: "Aiming for Energy"; I am sure it makes the point equally as well as our ad does.

I believe I saved the best for last when it comes to talking about government and party identification. This is from the Leader Post, Regina, Saskatchewan, April 4, 1981—an interesting time. The ad was placed by the transportation agency of Saskatchewan, certainly a government agency. The heading is "Breaking the Stalemate." It has a picture of, and an interview with, the minister, Gordon MacMurchy. I am sure that could not in any way reflect upon the partisanship of the government.

**Mr. Foulds:** Do two wrongs make a right?

**Mr. Peterson:** Oh, two wrongs make a right. I see.

**Mr. Foulds:** I did not say that.

**Mr. Robinson:** The member was just telling us how wonderful things were in Saskatchewan.

**Mr. Foulds:** I simply pointed out that Saskatchewan—

**Mr. Robinson:** Yes, the member did. If this is any indication of the communication policies the NDP would follow, I believe the bill we are debating today is rather questionable in its intent. It is also unrealistic in its potential application. It is a highly insulting and irresponsible piece of legislation.

**Mr. Roy:** Mr. Speaker, if one wanted evidence of arrogance, pompousness and contempt for the legislative process, we have had an example of it here this afternoon. First an honourable member attempted to introduce a private member's bill earlier that would have given certain relief from OHIP premiums to women—

**The Deputy Speaker:** Mr. Roy, I am having difficulty discerning whether you are speaking to the bill.

**Mr. Roy:** Mr. Speaker, do not interrupt my comments. Is the advertising in Saskatchewan relevant to this bill?

**The Deputy Speaker:** I am only thinking of the private member, the member for Port Arthur, so he can learn from your remarks. I am hoping your lead-in will not be too long.

**Mr. Roy:** Mr. Speaker, I trust your intervention into my discussion will not be taken off my time.

**The Deputy Speaker:** Thirty seconds.

**Mr. Roy:** What I was attempting to show is that a member tried to introduce a piece of private member's legislation, something that is sacred in all parliaments, and this was blocked by the majority government led by the Premier (Mr. Davis).

Second, we have a bill presented by the member for Port Arthur, one that is a very important piece of legislation dealing with what I consider to be one of the most blatant abuses of public funds by governments at all levels. The member for Scarborough-Ellesmere got up in an arrogant and pompous fashion and, with no apology whatsoever, distorted the whole principle of the legislation.

The whole principle of the legislation is not government advertising. Of course governments have to advertise programs, as the member



stated earlier. They have to advertise certain matters such as seatbelts or a variety of programs dealing with senior citizens. That is not the issue we are concerned about and which I want to speak to in the 10 minutes I have. What is of great concern is the abuse on the part of government in using public funds either to conduct public opinion polls, as this government has done, or to promote itself or members of the Conservative Party. That is the issue we are concerned about. I have never seen anything so blatant as in this last election.

**5.40 p.m.**

Do you want the figures? Listen to them. In 1978-79 the Ministry of Energy had an advertising budget of \$30,000. In 1979-80, leading into 1981, the election year, their advertising budget was \$4.7 million. That famous "Preserve It, Conserve It" ad ran all the way through—prior to the election, right through the election and in fact right through the election days, contrary to the regulations of the Canadian Radio-television and Telecommunications Commission. That is the abuse.

**Mr. Kells:** What is the federal budget?

**Mr. Roy:** I am not here to talk about the federal government. We are here in this province. That is the advertising we are concerned about.

The Ministry of Health in 1978-79 had a budget of \$287,000. In 1979-80 their budget went to \$1.5 million. In other words the advertising budgets of all government departments—and I could go on; I could talk about the Ministry of the Attorney General, which went up from \$70,000 to \$625,000—went from \$12 million to \$24 million right at election time.

You saw these advertisements, which the member for Sault Ste. Marie (Mr. Ramsay) talked about earlier, which he was embarrassed about: the advertisements of "Preserve it, conserve it," the ads dealing with "Good things grow in Ontario," "Clean water in Ontario" and so on. That is the concern we have: that public funds are being used through government advertising to promote a party, a government or certain individuals. If that is allowed to continue it will, in my opinion, undermine the whole democratic process.

What is of more concern to many of us and to the member for St. Catharines, who complained to the Commission on Election Contributions and Expenses about this, is that the election commission, which operates under the Election Finances Reform Act, seems to express no

concern whatsoever through its chairman about this type of advertising.

During the election I wrote the commission to complain about particular advertising on the part of government, that in fact it was an abuse of public funds, and secondly that it circumvented the Election Finances Reform Act, which prohibits advertising during a specific period of time leading to the election.

I explained that to the commission, and of course they responded. I have here a letter from the chairman dated February 6, 1981. He states, "This problem was first raised in 1975, and of course, unfortunately, we have had legal opinion to the effect that the act does not give the commission jurisdiction to look at any advertising on the part of government"—something that the commission has under the federal statutes. The federal election commission can look at government advertising, but this commission does not even have the power to look at that.

When I asked the chairman in a later letter, "Why is it that if you have known this since 1975 no one has brought forward amendments at least to allow the commission—one would think you would at least prohibit such advertising; if you want to use it during nonelection time at least do not use it during an election period and offend the principle of the Election Finances Reform Act." Not only did they state that they did not have the power, but the chairman said, "Personally I am of the opinion that a commission of this kind should not have the function or responsibility to pass judgement upon the content of advertising by a government and to adjudge whether or not it is permissible."

I am sorry to say that if this is the attitude of our Commission on Election Contributions and Expenses, and if that is the position taken by the chairman, I do not have much faith in that chairman. If he takes the position that they not only do not have power but do not want the power, and if they take the position that the government can have a field day, that there are no guidelines whatsoever, that any advertising, as long as it is by a commission or anyone else under the guise of government is permissible, then there are no ways to review this advertising, there is no way to curtail this type of advertising. Such things as the Election Finances Reform Act become meaningless. They become meaningless. I was sorry to hear the previous member try to make fun of this and try to say that we are against government advertising. That is not the issue.

The federal Liberals have abused this as well.

It is undermining the federal process, but I will say that the biggest abuse by the federal Liberals was during the referendum debate last year. For the referendum in Quebec, they spent gobs of money on advertising which, in fact, was intended to serve a purpose, to promote a particular cause. At least the cause was national unity.

**Mr. Kells:** Oh, you're making exceptions are you?

**Mr. Roy:** Is somebody objecting over there? In fact, their purpose in Quebec was to try to get the people of Quebec to vote against separating. Is anybody challenging that?

The point I want to make is that at least there is some noble motive on the part of the federal advertising whereas these birds, these beggars over here, are using public funds to promote themselves. All the guidelines, all the controls that we thought we had under this act, are being seriously abused. I am sorry to hear members on that side consider it not to be an issue at all.

I have all the respect in the world for the member for Sault Ste. Marie, who had the courage during the last election to say that he was embarrassed by that type of advertising. I want to underline the courage he displayed. He is the only person I know on the government side—and he has some experience in the field of electronic media coverage, advertising and so on—who displayed that courage. I want to say the member for Sault Ste. Marie showed an awful lot of guts and an awful lot of objectivity, something that was not shown by anyone else, when he said he was embarrassed by that sort of advertising.

I want to say what is of concern to us is the fact that I do not think the press in this place, especially the electronic media, are doing the job they should be doing. We are left in a situation where the press does not fulfil its obligation to get the facts out, whether it is election time or between elections.

What we have is the situation where the government, the Tories, do not particularly care whether the press do their job, because they can buy time. They buy time with government and with public funds. I want to say that unless some curb, legislation such as this, is brought forward to curtail this type of advertising, the abuse will continue and nothing less than the undermining of the democratic process will take place.

**Ms Bryden:** Mr. Speaker, in the very short time I have, I would like to say that this bill would not have been necessary if there had not

been such a blatant abuse of the government's right to advertise and to spend taxpayers' money on advertising. It is the abuse that this bill addresses.

We have moved from informational advertising to advocacy advertising, to advocacy of a particular political party. It has been carried on during election campaigns when all candidates are supposed to be on the same footing and to have equal time. Was there any opportunity in an ad for candidates to say, "This government is dangerous to your health"? That is the kind of advertising that might have been given equal time.

We not only have advertised a political party, we have canonized cabinet ministers in ads, and often the ads have put forward false information. There has been no opportunity to challenge that information or to get a cease and desist order. This is why we need this kind of legislation.

The government also went in for a number of half truths in the ads. They spent almost a million dollars on advertising the pensioners' tax grant, but in most of the ads they did not even mention that 100,000 people were going to get less under that pensioners' tax grant system than they got under the old tax credit system.

They spent almost half a million dollars on trying to persuade people that their equal pay law meant equal pay for work of equal value. But the women of this province know it does not mean that. So the bill is necessary, but it must have Bill 4 with it to prevent the abuse of the use of any kind of government advertising during election campaigns. In those days when the campaign is on, government business is suspended and so should government advertising be suspended. The bill does provide that if there is an emergency then government advertising could continue.

**5:50 p.m.**

**Mr. Speaker:** Ms. Bryden, your time has expired.

**Ms. Bryden:** I would just say, Mr. Speaker, that we need both Bill 3 and Bill 4, because this government has so abused advertising.

The following members having objected by rising, a vote was not taken on Mr. Foulds's motion for second reading of Bill 3.

Baetz, Cousens, Dean, Drea, Eaton, Elgie, Eves, Gillies, Gregory, Grossman, Harris, Henderson, Johnson, J. M., Kells, Kolyn, Lane, MacQuarrie, McCague, McLean, Norton, Piché, Pope, Robinson, Runciman, Shymko, Steven-



son, K. R., Taylor, G. W., Timbrell, Treleaven, Walker, Watson, Wells, Williams—33.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, in accordance with the standing orders, I would like to indicate to the members of the House the business for the rest of this week and next week. Tomorrow morning we will continue with amendments to Bill 7, An Act to revise and extend Protection of Human Rights in Ontario.

On Monday afternoon, May 25, the official opposition budget reply speech will be made by the official opposition financial critic. If time permits, following that we will have second reading of Bill 48, An Act respecting Massey-Ferguson Limited.

On Tuesday afternoon, May 26, the New Democratic Party financial critic will deliver a reply to the budget, and budget debate will

continue until six o'clock. In the evening the House will consider legislation continuing second reading and, if needed, committee of the whole House on Bill 48. Following that, if time permits, we will have second reading of Bill 20, An Act to amend the Personal Property Security Act.

On Wednesday, May 27, three committees may meet in the morning, those being the administration of justice, general government and resources development committees. On Thursday, May 28, we will consider private members' ballot items 4 and 5 standing in the names Mr. J. M. Johnson and Mr. Smith. In the evening on Thursday, May 28, we will continue the budget debate, as we will also do on Friday morning, May 29.

The House recessed at 5:55 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 25

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Thursday, May 21, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 21, 1981

The House resumed at 8:01 p.m.

## REPORT, STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Philip moved the adoption of the report of the standing committee on the administration of justice on the Ontario Housing Corporation and Local Housing Authorities.

**Mr. Philip:** Mr. Speaker, it gives me great pleasure to be the first speaker on the report of the standing committee on administration of justice, of which I was the chairman for several years under the minority government situation.

During that time, our committee had the very great services of an excellent clerk who behaved in a very professional, very competent and very impartial manner. Smirle Forsyth, the clerk of our committee, certainly deserves a great deal of credit for assisting us in putting together this report and assisting us in dealing with the various deputations and making sure that all points of view were heard and that anyone who had any input or wished to have any input into our committee's deliberations was heard and heard in a way that certainly would lead to a fair consideration of the point of view.

I also feel that a great deal of thanks must be given to Gerry Richmond and Merike Madisso, the two researchers who were assigned to us by the library research department. Certainly these people showed they not only had ability as researchers but also an empathy for the kinds of problems we were looking at, a professional manner, an objective manner, and they didn't look at the clock when it came to doing work for the committee. I think this Legislature is well served by those two people and I hope we can count on their services for many years to come, because they certainly were very valuable to us in our committee deliberations and in preparing certain facts and certain information which we as members of the Legislature needed.

From September until December of 1980—

**Mr. Hodgson:** Mr. Speaker, I do not see a quorum.

Mr. Speaker called for the quorum bells.

8:08 p.m.

**The Deputy Speaker:** A quorum has been

recorded. Mr. Philip, will you continue your remarks?

**Mr. Philip:** Mr. Speaker, as I was saying when we temporarily recessed, there are a number of people who must be thanked for service to the committee, not only in the matter that is before us tonight but also over the years in which I served as chairman of that committee.

In this particular matter, of course, Mr. Doug Arnott acted as the clerk of our committee and worked closely with our regular clerk and did an excellent job in serving the needs of this committee. He must be congratulated on his service to us.

During the last three years, there was also one gentleman who served a very important function for our committee. Perhaps his services were not needed so often in the deliberations of the committee on the Ontario Housing Corporation matter but certainly in other matters that appeared before the committee, and of course that was Thomas Stelling, Sergeant at Arms, who delivered certain documents to certain people, often when they were unreceptive or least receptive to receiving those documents. My suspicion is that his services in delivering warrants may not be used quite so frequently under the majority government.

8:10 p.m.

Dealing specifically with the matter before us from September to December 1980, the standing committee on administration of justice accepted representations from individual OHC tenants and from tenant associations on virtually every matter related to the Ontario Housing Corporation.

These groups went to considerable effort to make their views known to us. The presentations that came before us were excellent, the people who came before us were well informed and the committee must certainly thank these groups for their contribution to our work, regardless of what their political or philosophical persuasion might be.

The resulting 119 recommendations tabled in the form of this report before the Legislative Assembly go a long way towards addressing the major concerns raised by tenants. That is what this report is all about. It is about real people



who have real concerns, who have suffered in certain ways because of the actions of this government and the insensitivity of OHC. Their concerns and problems must be met. Those concerns and problems are addressed in this report.

This report is about people whom I know not only as an MPP but also as a friend and neighbour. That is what we are dealing with, something that is human, not something that is simply economic. Moreover, since the report deals with the issues of the expansion of public housing and the opening up of eligibility to all needy people, its impact extends to individuals and families who at the present time are not able to obtain housing assistance in any form.

Among the matters raised, the following in particular received considerable attention. Evidence before the committee indicated that current OHC waiting lists do not, for a number of reasons, adequately or accurately reflect the real demand for low and moderate income housing. In the first place, only families with dependent children, people over the age of 60 and physically disabled people are eligible for Ontario Housing. Everyone else is automatically excluded from even putting his name on a waiting list.

Other people who would not apply for assisted housing include those people who are at present making do by renting at below average market rents or by spending less on other items, such as food, so as to pay for their housing. Still others may not apply because of the length of these waiting lists and the length of time it takes to be offered housing.

The committee's answer to this problem was to recommend to the Minister of Housing (Mr. Bennett) and to the Ontario Housing Corporation that they measure the total demand for assisted rental housing and then introduce a variety of programs to provide for the necessary housing.

The matter of who is eligible for Ontario Housing was also addressed, with the committee concluding eligibility should be based solely on need; that is, anyone, regardless of age, marital status or number of dependent children, would be eligible for rental assistance and people would get this assistance in order of need. Of course these three groups, the families with children, people over 60 and the physically handicapped, would continue to be eligible.

The committee also recommended current tenants who no longer have dependent children but who are not yet 60 years old be allowed to

stay in public housing. The present policy, we were told at the time of the inquiry, was to evict them.

The need for emergency housing was also addressed by the committee. Housing required on short notice because of a marital breakup, domestic violence, sudden financial crisis, eviction or demolition was another important issue that arose in the context of who could make use of publicly assisted housing.

The committee recommended that OHC involve itself in the provision of emergency housing primarily through the use of housing allowances, but also through allocating empty units to hostels, et cetera, for use by battered women.

Of particular interest to current tenants in OHC are the committee's recommendations on transfer and eviction. For example, tenants should have one transfer as a right and any number if they pay associated expenses. Grounds for transfer, namely domestic violence, emotional health and transfer to a co-op, should be considered as valid reasons or transfer. As far as eviction is concerned, tenants should be given security of tenure by means of a one-year lease, and repair and repayment agreements should be used whenever possible to avoid eviction. Written reasons should be provided for both transfer and eviction decisions.

Tenants should have the right to appear with counsel at housing authority board hearings on these matters, and tenants should have the right to appeal to the board of the local housing authority and from there to a tenant appeal board, which each housing authority should establish within its jurisdiction.

Tenants would also be helped by recommendations dealing with vandalism and maintenance. Security patrols should be increased. Live-in building superintendents should be installed wherever possible. Maintenance projects and improvements should be discussed with tenants before they are undertaken, and tenants should be allowed greater scope in improving their units and so forth.

Finally, the committee's recommendations reflect its concern with the question of whether tenants are able to make their views known to OHC management. The committee concluded that they could not under the present system and, therefore, recommended among other things that each OHC project hold an annual meeting for tenants and the project management for the purposes of discussing budget priorities; that each local housing authority board have an

elected tenant representative; that each authority have an annual meeting of tenants; that OHC boards of directors and the Minister of Housing meet with tenant representatives yearly; that major changes in policy be made only after consultation with tenant associations; that the program for funding of tenant associations be extended indefinitely; and that the current dollar amounts be doubled.

The committee's report, of course, contains many other very pertinent recommendations. These will no doubt be dealt with by other members of all parties in dealing with the report. Certain staff people, such as Betty Niddrie, now the general manager of Metro Toronto Housing Authority, did respond to our efforts to obtain information and to do as complete an investigation as time permitted. However, the committee did run into evidence of the secrecy that tenants have complained about to MPPs and other people for so many years.

I would like to give just one instance of how we ran into that kind of secrecy in trying to find out information or in trying to obtain assistance from OHC with our inquiry. On September 3, I instructed research to call the Canadian Civil Liberties Association and asked them to review the OHC manual, and particularly to look at those sections which deal with secrecy and with the use of information. We had numerous depositions then who appeared before us and said: "There are things in files we do not have access to. We do not know what information is in there and we do not know how it is being used. Indeed, we have no opportunity to correct it if it is wrong."

We felt that was a real civil liberties issue and that the Canadian Civil Liberties Association should have an opportunity to deal with that. One of the best ways was to read the Hansards of the testimony we had already received and then review the OHC manual. On September 25, the solicitor for the Canadian Civil Liberties Association called research to request two copies of the OHC manual for their review purposes over the weekend. One would think that would be a simple request. Our researchers for the committee on that very day, September 25, asked the OHC senior solicitor, Mr. R. L. Radford, for copies of the manual. Mr. Radford called research on September 26 and informed them that, on the minister's instructions, no extra copies were available beyond the two copies provided, one copy for the library and one copy for the clerk of the committee.

8:20 p.m.

On the same day, research called Mr. Larry Malloy, executive assistant to the Minister of Housing, to obtain a copy of the manual for the Canadian Civil Liberties Association. Mr. Malloy said he would look into it and get back, but reiterated the minister's position that the manual had already been provided as outlined above.

Our researchers indicated to him that due to the bulk of the manual, some 800 or 900 pages, it was difficult and wasteful for our committee to have it Xeroxed when OHC had several copies it could lend us for the weekend. It did not make sense, not only in terms of our time but economically. Research indicated it would be wasteful and a waste of time.

Mr. Malloy expressed reluctance for the manual to "get into the hands of outsiders since the manual may be outdated." That is great. Here they are operating with a manual and the minister's top brass then say, "We cannot let that go out to the public because it may be outdated." One wonders what kind of decisions were made with an outdated manual.

That is not the point. The point here is that research then indicated the Canadian Civil Liberties Association would be reviewing the manual the next day and returning it.

They said: "Just lend us a couple of copies. You are going to get it back. Even if it is outdated, at least it is the manual. It is something they want to examine. There is little chance for the manual to get out of date. It is only going to be away for a weekend. Unless you are going to make changes on the weekend, it won't be out of date unless it is already out of date. Furthermore, it is Housing's responsibility to keep the manual updated. We assume we will get an updated manual. If you cannot provide an updated manual, what kind of incompetence is that?"

That is not what research said but, of course, that is the logical conclusion. Mr. Malloy also expressed reservations that copies of the manual would be made by outsiders. Research responded the manual either was available or it was not.

There was an interesting irony at that time. The Minister without Portfolio (Mr. Pope) had recently been sanctioned to develop government freedom of information policy. Here was the government talking about freedom of information and it would not let two copies of its manual go out to the Canadian Civil Liberties Association, which, of all the groups in society, is surely the group most interested in freedom of information.



On September 3, Mr. R. M. Dillon, the deputy minister, indicated the minister would co-operate with the justice committee. Then, 20 days later, we had an example of that co-operation.

The sad point is that because of all this waste of time, because of the inability to get those copies of the manual at a time when the Canadian Civil Liberties Association lawyers had set aside some time on the weekend to deal with it, the committee never did get representations from that body.

It is a double tragedy. It is a tragedy that an important group in our society, one that is concerned about people's freedom, was denied the manuals and because of that was unable to make representations to our committee. We lost, the civil liberties association lost and I think, in a certain way, the Minister of Housing lost.

We have not had any indication that freedom of information or the lack of secrecy has been improved all that much since the publishing of the report of the Commission on Freedom of Information and Individual Privacy.

I refer the minister and members of the House to a *Globe and Mail* article on May 13. When we are dealing with freedom we can go through the external processes of freedom, we can go through the setup mechanisms, but unless we really have the heart and the determination to provide the conditions of freedom then it will never exist.

I would like to refer to this article, because here it shows how the Metro Toronto Housing Authority tries to take the letter of this report and completely violates the spirit of the report. I will read just how they deal with listening to public deputations. Here is what the article says: "While it will listen in public to deputations, the authority will make decisions in private, notifying the individual or organization later. There will be no public discussion between delegates and staff of the authority during the meetings. Delegates will not be heard without a written invitation."

One wonders, has the Ontario Housing Corporation not learned anything from some of the sweat and tears that the tenants put into some of these representations before us? What kind of system has that kind of formality and that kind of structure, which inhibits real dialogue, real understanding? Surely this is a process to limit any kind of discussion, any kind of meaningful dialogue, any kind of criticism, be it constructive or otherwise, from the public or from the tenants.

In a similar vein, one person who showed very little enthusiasm for the inquiry was the Minister of Housing. As chairman of the justice committee for several years I was used to conducting various types of inquiries and presiding over bills with various kinds of public hearings, and I expected from the performance of other ministries that the minister, or if the minister was not available at least his parliamentary assistant, would be present to listen to the delegations, to meet with them, to have an occasional cup of coffee afterwards, to try to understand what the problem was.

When I discovered, to my disappointment, that the minister was not available I called and spoke to—I am not sure whether it was the deputy minister or the assistant deputy minister—and I said, "Are you telling me the minister is not coming?" He said, "That is right." I said, "Well, what about the parliamentary assistant to the minister?" and he said, "I do not know about that." I said, "Who is the parliamentary assistant to the minister?" He did not know.

Here we are paying a back-bencher \$5,000, or whatever it is as parliamentary assistant, supposedly to be doing something in a ministry, and the very top executive officers of that ministry did not know who the parliamentary assistant to the minister was. I know that in the Attorney General's office they knew who the parliamentary assistant to the minister was. The member for Carleton-Grenville (Mr. Sterling) was at any kind of hearing when the Attorney General (Mr. McMurtry) was not present, and whenever it was not possible for one or the other to be present at those kinds of hearings we got a formal written apology saying that for this reason or that reason they hoped we would understand. Indeed, if ever that did not happen the then member for St. George, Mrs. Campbell, and the then member for Lakeshore, Mr. Lawlor, were on their feet asking why there was not someone there who could talk about policy from the minister's standpoint.

So it is not a government phenomenon, but it is a phenomenon of this ministry that it has the arrogance not to send anybody who could talk about policy. Of course, when the minister finally did come he did not really talk about policy anyway. What he did, basically, was criticize every deputation that had come before the committee. Oh, he may have forgotten a few. He showed up on October 22, he gave a prepared speech, which was written down and contained not one positive indication. He did

not even compliment the board of trade on its presentation. One would think he would at least compliment some of his friends.

**8:30 p.m.**

More important, he gave no positive indication that he was willing to show any kind of leadership to his staff in the implementing of the recommendations that were forthcoming from all of the various deputations that came before us.

As I will not have an opportunity after the minister speaks—I understand he wants to conclude the debate on this—I would like to deal with his statements of policy, as I saw them, in his appearance before that committee.

First, on demand and supply, the minister stated, "Ontario Housing Corporation has observed an overall shrinkage in its waiting list of applicants for assisted housing." It is on page three of the Hansard of that day. But a September 1980 Metropolitan Toronto Planning Department study on the portability of housing in Metropolitan Toronto stated, "In summary it is estimated that there are 90,800 households in Metropolitan Toronto, as of the beginning of 1980, who cannot afford to house themselves adequately, yet we are trying to cope in the private market."

So here is the minister having the audacity to say there is no need and here is the Metropolitan Toronto Planning Department showing there is clearly a need. Any MPP knows that right now there is a minimum three-month waiting list, except in a few rare cases, to get anybody into Ontario Housing.

The committee was informed that 1,800 rent supplement units have been taken off the market since 1978, and the minister chose to ignore that fact as well.

On emergency housing, the minister suggested that organizations such as the Salvation Army are far better organized and equipped to come up with temporary shelter when it is needed. I am sure the Sally Ann will be happy to know the minister is offering their services. But maybe they are not ready or do not have the resources to provide those services, and who is the minister to tell the Sally Ann they can do his job?

The committee recommended—recommendations 27 and 28—that housing allowances and empty units in OHC be used for emergency housing, and the minister admitted that OHC has vacant units available in certain parts of the community. We developed a very elaborate set of proposals in conjunction with input from

OHC tenant groups on how that kind of thing could be done without any kind of disruption to the existing tenants.

I guess the saddest item in the minister's report to us was his view on tenant representation. The minister stated he would not accede to any request that true tenant representation be provided for local housing authority boards. He said, "In my view, tenants should not be appointed as representatives of organized senior citizen groups or of groups of handicapped persons or tenants generally, because this would provide an opportunity for that particular group to advance its interests, perhaps at the expense of other tenants."

How can someone who represents tenants generally possibly advance the interests of one group? Surely if they are elected generally they represent all of the people. What group has greater interest in the running of OHC than the people who live in it?

Last, one must ask why the minister is so afraid of his own tenants. He seems so afraid to allow them to elect someone of their own choosing—not to control the board but to have input. Why is he so afraid of the people? I guess that is something perhaps the minister or his counsellors can figure out. Perhaps it is something in his own psyche that is missing or that is a problem, that creates that kind of paranoia on his part.

Another matter on which I think the minister disappointed everyone was his view on the right to privacy. If you can believe this, Mr. Speaker, the minister admitted that in order to discourage an Ottawa woman from sitting on the local housing authority board he threatened to open up to public scrutiny the personal file that OHC keeps on her and on all tenants. Is that not an amazing admission? Check Hansard. It is there. He said it.

**Hon. Mr. Bennett:** Read the whole statement.

**Mr. Philip:** I will read a little bit more of it. "I wrote to her personally, and to those supporting her, that if she wished to have her file brought forward and put into public display and have the housing authority and the minister present to respond to it, I would be delighted to do so." It is on page 25 of Hansard for that day.

The committee has the following view on the subject. "As far as the right of privacy is concerned, the committee heard testimony on the subject of the nature and function of the files that OHC keeps on its tenants—files which may contain statements from previous landlords, communications from social and financial agen-



cies, complaints about the tenant, et cetera." These complaints may be from other tenants. "This is the kind of information on which the local housing authority may base its decision as to whether the applicant will be a desirable tenant and therefore eligible for accommodation. Nor are these files immune to abuse of another kind: For example, information in a tenant's file has been used to deny appointment to a housing authority board." This is the case.

We recommended, "That tenants be guaranteed a right of access to personal files and a right to file a rebuttal to any information therein."

Perhaps at some time in your life, Mr. Speaker, you have checked your own credit rating. You have that authority under law, but Ontario Housing tenants cannot see their own files to find out what information may be used, no matter how fallacious that information may be.

We also recommended, "That OHC instruct all local housing authorities to limit the content of personal files to information related to the assessment of rent and the grounds for eviction." That, surely, is the only information that it should be concerned about.

I have dealt with the recommendations of the report. I have dealt with some of the opinions expressed by the minister. I would like to speak for just a short time on something else, because I know the other members, including members of the Liberal Party, have been very upset by statements made in the minority report turned in by the members of the Conservative Party in the committee.

I must say that I strongly resent, indeed I feel somewhat hurt at the accusation in the PC minority report that my performance as chairman was not objective. As chairman with a strong interest and knowledge of housing I made every effort to attend all the hearings. In fact, I did attend them, and I familiarized myself with the documentation and evidence presented.

In contrast to some members across the floor, who are now at this time making so much noise, I happened to take my job on the committee seriously and I attended regularly. None of the PC members, except for the member for Algoma-Manitoulin (Mr. Lane), showed any real serious interest in the committee's business until we were ready to present the report. I do not see how many of the minority report signatories can intelligently comment on the merits of the recommendations when they so frequently missed the hearings.

Throughout the course of the hearings I gave all interested members an opportunity to state

their viewpoints, but few members on the government side of the House took that opportunity, again with the exception of the member for Algoma-Manitoulin.

**8:40 p.m.**

I know that more will probably be said by members of the Liberal Party, including the member for Waterloo North (Mr. Epp), who is quite incensed by the minority accusation against the chair.

Secondly, the minority report deals with the purpose of the Ontario Housing Corporation review. The purpose of an OHC review of this nature, contrary to the Progressive Conservative minority report, is not to heap praise on the existing situation and on the minister. Based upon the testimony, we were to make recommendations and suggestions for establishing improvements.

I am grateful that OHC exists and that certain senior staff people such as Mrs. Niddrie are diligent in their efforts, but they are hamstrung by red tape and by silly regulations frequently set down, sometimes by the housing authorities but emanating from the ministry.

It was our purpose to offer constructive criticism and to help Ontario Housing rather than in any way destroy it, because we believe it should exist and should continue to exist.

The minority report expresses resentment over the presence and participation of a very dedicated public witness, Mr. Saldov from the Metro Tenants Council. Mr. Saldov attended many hearings—indeed he actively attended—and his presence was often more in evidence than some of the members of the Conservative side of the House. Early in the hearings, the committee agreed not to turn away those members of the public who wanted to be heard. Mr. Saldov took the time to appear and to participate, as did other groups.

If any committee members disagreed with Mr. Saldov's point of view—and indeed there were certain points of view which I and other members of my party and members of the Liberal Party disagreed with—we had an opportunity to express them and we did so.

It is normal during hearings of any committee to allow representations from anyone on key points. The government's point of view was represented daily. There were the OHC officials, Mr. Beesley or other officials, to present the government's, the status quo's point of view. To suggest somehow that listening to the people, listening to someone who would give his time and sweat and who, when we went out into

the community we found represented the real interests and views that were being expressed by OHC tenants, that somehow this person should not be able to appear at any time during the hearings and deal with any point that the committee allowed is simply nonsense and is simply another form of the authoritarianism of that government.

The minority report rejects the expansion of OHC's mandate on the grounds that the federal government would not likely costshare such programs. The minister in conjunction with other provinces or on his own might show some leadership by actively approaching the federal government if he wished to expand the mandate. We haven't heard any evidence that he was going to do so.

Emergency housing is an area which requires immediate attention. We watch as this Minister of Housing does absolutely nothing as the centre core of this city becomes more and more only the domain of the rich. We heard testimony and saw evidence of people sleeping in garages, sleeping in Toronto Transit Commission shelters, and yet this minister says: "The federal government will never go along with expanding our mandate, so why worry about it? Let those people die in the streets. Let those people go without housing. Pass them off to the Sally Ann." That's the insensitivity of the minister.

**Hon. Mr. Bennett:** Oh come off it. We aren't talking about the Bronx.

**Mr. Piché:** You are overdoing it. We've been listening to you, only you are distorting the whole situation.

**Mr. Philip:** The minister says that is an exaggeration. I suggest to the minister I would be willing to go with him at two o'clock any morning to the underground garages and he will find just how many people are sleeping outside in downtown Toronto, and they are the very people he says do not qualify under his mandate for OHC.

The minority report is also written with the attitude that OHC's role is housing, bricks and mortar. That is how the minister sees his role. He is really a bricks and mortar kind of individual anyway. Social or economic problems of tenants are the responsibilities of other ministries. OHC should not be attempting to deal with the tenants' financial problems that are unrelated to housing. This is the minister's attitude. Assisted housing cannot be separated from the inadequate incomes of tenants. That is something the minister still has not realized. He

should take a lead role in advocating improved income and social support services for OHC tenants. It is not enough to say it is the problem of some other ministry, because some other ministry simply is not doing the job.

Another problem with the minority report is it claims it would be impossible for OHC to compute tenant net incomes. However, OHC currently carries out detailed income verification on gross income. Adequate proposals for net income computations have been made by the Metro Toronto Social Planning Council and by other groups. If the will existed to develop a fair system of rent based on net income it could be developed. The minister has the staff who can do it and if they cannot do it they can go to the staff of other political bodies that have already developed the techniques.

The minority report is most critical of the recommendations on image stigma, vandalism, security, maintenance, garbage disposal, those kind of issues. These recommendations they claim, and I quote to you from page 17, "contribute to a negative public perception of public housing." However, those of us who toured Hamilton, Windsor and some of the Metropolitan Toronto OHC projects cannot deny the problems exist. Some of the Conservative members who accompanied myself and other members of the New Democratic Party and the Liberal Party on a tour were quite shocked by some of the conditions they saw and they expressed that on the informal tour we had. One does not solve the problem by ignoring it.

These recommendations, while dealing with sensitive issues, are designed to be constructive and innovative and lead towards a resolution of these problems. It is only by resolving these problems that the image of OHC will improve—not only the image to the tenants but also the image to other members in the community.

Lastly, even though some of the Conservative members of the committee expressed concern about tenant representation, when it came to voting they sold out the tenants. The minority report and the minister both concur that they are opposed to greater tenant participation and rights. I quote from the minority report at page 11, "The second myth is that most of the problems in OHC projects will be solved through tenant participation." They call tenant participation a myth. Greater tenant participation, however, as we know from sound management techniques, would go a long way to improving the living environment in OHC. Furthermore, tenant participation would not cost a great deal



of money. Indeed, I know from talking to tenants in my own riding that often tenants are the ones who know how to save money in a particular OHC project.

Tenant representation on the housing authority boards is critical. People in OHC deserve improved consultation, not the kind of silly formality that is being implemented by Metro Toronto Housing Authority, but real tenant consultation. The present policy regarding tenant representation by chance on housing authorities is certainly inadequate and opens the OHC and the ministry to the suggestion that only Conservative yes-men will be acceptable.

**8:50 p.m.**

I am disappointed, as all members of the committee and all members of the House should be, that those people who signed the OHC minority report should allow the minister to act as their ventriloquist in this matter.

The minister said, and I quote from page three of Hansard, "OHC must adjust its policies to meet the changes evolving in our society." Our report offers concrete proposals on how to meet these changes evolving in our society. I challenge the minister to respond and to tell us what he is going to do in implementing this report. I challenge all members to vote for this report. I challenge all members to vote for better Ontario housing.

**Mr. Epp:** Mr. Speaker, as has been indicated, the report we are debating tonight is a result of the annual report for 1979 being referred to the standing committee on administration of justice. That standing committee, which had a number of regular members replaced by alternates, afforded me the opportunity to participate in the various hearings that took place.

I am happy to say the hearings not only took place in Toronto, but also in Kingston, Ottawa, Windsor and Hamilton. The committee had an opportunity to visit sites in those localities as well as in Etobicoke and Scarborough. Based on the various briefs we heard and the various units we saw, I would say we were able to have a fairly complete, unique and objective evaluation of the way the OHC is conducting its business.

Before I go any further, I would like to pay tribute to the OHC staff who participated in the hearings and who were there day after day. I am sure it wreaked havoc with their regular schedules but they were able to answer a number of questions and give information to the committee which was valuable.

I want to express my thanks to Mrs. B.

Niddrie, Mr. D. J. Beesley and other people who participated. As well, I extend my thanks and those of my party colleagues to Mr. Forsyth, Mr. Arnott, Ms. Madisso and Mr. J. Richmond, to the various delegations and representations made by individuals and community and municipal groups which sometimes came short distances but, at other times, fairly lengthy distances. We had one group that came from a small rural community in southwestern Ontario which took its whole day out to make a presentation. I think we should obviously be grateful for their input.

The evidence we heard before the committee and the recommendations we made are ample proof the study was worthwhile and the money which obviously was expended in having those hearings was worthwhile, provided the minister and staff at the Ministry of Housing and at OHC take cognizance of those recommendations and take them seriously.

I am glad to see the minister is here today. I was sorry he did not attend more of the meetings at the hearings but, nevertheless he did have a chance to read the reports and to evaluate them as best he could.

With respect to the issues that were discussed at the hearings, one was the demand and supply of rent-geared-to-income housing. It became obvious in the hearings there are not sufficient units available in the province. This was made quite obvious also in the visits we paid to the various municipalities.

The report on Ontario Housing addressed itself to the needs of families, of seniors, of the disabled and handicapped people in the province to a very limited extent. But there are other needs that have to be filled and they are not being filled. I think in all fairness the Minister of Housing should look on this not only as a social problem and as one that should be taken care of by some other ministry but also as a housing problem. He should therefore not only take cognizance of it but do something about it. It is nice to take cognizance of it and then file it away in file 13. I think he really should do something about it.

I remember our visit to Hamilton, for instance, and seeing the various units there and the kinds of problems the families encountered. We were visiting a high-rise, and I think it was probably about 15 to 20 storeys in height. It is unfortunate that families have to live in these high-rise units because it is very difficult for the children to get out and play. There is a very limited amount of recreational facilities available. This is not so

evident in the town houses, for instance, that we saw in Etobicoke where people have easy access to their backyards and to the street and can relate more easily to their neighbours.

As a result of the visits we made to these various areas, there are a few recommendations that came forth and one of them was that there should be more flexibility as far as housing needs are concerned in various municipalities. The government should look at the municipalities and try to supply the kind of housing that is required.

In Hamilton, where we saw two high-rises of 15 or 20 storeys each, there was all kinds of land around them. If it had been used for installing walkups or something of that nature, and if those units had been spread over a larger land area, I think those families would not have had the problems we heard about.

There should be more support, of course, for co-operative and nonprofit housing as opposed to rent supplement housing. When there is a tight housing market—as there is now in Toronto, Waterloo, Ottawa and other municipalities across the province—the landlords obviously like to get as much rental income as they can and they would like to be on the open market rather than give those units to Ontario Housing.

It is my feeling—and I think the feeling of most members of the committee, if not all—that the rent supplement is second best to the nonprofit and to the co-operative form of housing. In addition to that there are the social and consultative services that can be provided more easily where there are groups of OHC units.

Another problem I would like to address has to do with vandalism and maintenance. A number of units we saw were well maintained and OHC was doing a fairly good job of looking after them, but I must mention two separate buildings we saw in that one day—one in Hamilton and one in Windsor. When we walked in the front door of the one in Hamilton, which had families in it, there was a big chunk of plaster out of the wall near the mailboxes. I was astounded to see this and asked the superintendent how long it had been there. He indicated it had been there for some time without being repaired. I think if we want tenants to take some pride in their building, if things are broken—and this is often due to vandalism, I will agree—the superintendent or someone there has to be cognizant of it and have it repaired as quickly as possible.

9 p.m.

But what astounded me even more in that unit was the smell in the stairwells, which were not properly painted. There was kind of a musty, dirty smell about the whole place. Further, when we went to use the elevator we saw all kinds of graffiti and so forth on the walls. I said to the superintendent: "Why do you not paint this to give people a sense of pride in the place where they live and so that people will help to look after the place? How often do you paint it?" He said, "We paint it once a year." I said, "Why do you not paint it more frequently?" He said, "If we paint it more frequently, they dirty it anyway."

It is like cleaning your house. He probably only cleans his house once a year because if he cleans it the next day the kids are going to drag in some dirt or some marks are going to be put on the walls. He had the philosophy that if you clean anything it is going to get dirty anyway so why clean it. The other members of the delegation and myself were astounded.

This was the first building we visited and I hoped this philosophy would not be prevalent among OHC superintendents. I was pleased to see when we visited a senior citizen unit in Windsor—and I agree I am comparing a high-rise family unit with a four-storey facility for senior citizens—the senior citizen unit was immaculate. It was really spic and span. The people there looked after their units and took pride in them. We asked them about their attitude towards their units and they were very happy to be in them. The superintendent there was very helpful.

I found that in Hamilton, for instance, there seemed to be a lot of friction among the tenants, the staff and the board, and particularly between the OHC authority and the tenants themselves. When we went to Windsor, on the other hand, there seemed to be a lot of camaraderie, a lot of good feeling, and the tenants were not frustrated by what the staff and the authority were doing.

These are two examples. I think that often it is not a reflection of the policies as much as of the personnel the ministry has enforcing the policies. One can draw up any kinds of policies one wishes, but if one does not have the proper staff then the problems are not going to be corrected. Both the Windsor and Hamilton authorities were working under the same kind of policy, but we saw just a tremendous difference between what the two were doing.

I think the minister must be very careful of the kind of people he has in these authorities. I



am sure if I had been in charge of the one in Hamilton that superintendent would not have been there the next day after the kind of answers he gave us. The minister can check himself whether that person is still in employment there, but my own feeling was that he certainly was not very interested in the tenants and he was not a good representative of the OHC and the local authority.

When we went to Etobicoke and visited some town houses there were garbage bins very close to some of the units. Some paper was being strewn all over the backyards of some of the neighbours who were complaining about it. They had been complaining about it on a regular basis and that garbage bin had not been moved to a different location where it would not bother the neighbours. Another town house area we saw in Etobicoke had no sod planted and there were all kinds of little fences between various yards. I thought there would have been much more open space without the fences. It would have been more attractive and people would have taken more pride in their units.

There are things the Ministry of Housing and the Ontario Housing Corporation can do to rectify the situation. I want to emphasize again it is not so much a reflection of the policies as it is of the way they are implemented. For instance, we have recommended the frequency of the security patrols be expanded. It would probably be better if these security patrols were a part of the ministry itself rather than being tendered out. If regular meetings could be held with security, police and the tenants themselves as well as OHC, a lot of the problems could be rectified and there would be a better understanding among the various groups of representatives.

Vandal-proof fixtures might be included. In one building we visited, the fixtures were constantly being destroyed and the lights were being knocked out. It was my feeling—and I think that of the people who visited that unit—that the staff was trying to do an admirable job in looking after the building. They gave us an excellent reception and answered our questions as honestly as they could.

The lighting fixtures were being destroyed. Somebody would come out at night and break the fixtures, so they were starting to put in vandal-proof fixtures. They are much more expensive but I am sure that over the period of a year the saving would be there and they would pay for themselves.

With respect to the right to information, there

is a common problem that arose quite frequently. It is that the policy of OHC was not clear to the various tenant representatives. As the previous speaker has alluded, the Ministry of Housing somehow was not disseminating this information as widely as it could.

It was eager to disseminate information as to the new housing units it was building, the great things it was doing—and from time to time it is doing some impressive things—but as far as the regulations with respect to eligibility, rents, transfers, appeals, hearings, funding and so forth are concerned, it was very reluctant to give that out.

I think the tenants will gain a great deal as a result of these hearings particularly if, in addition to the complete binder on its policies, the ministry disseminates this information to the various tenants and tenant organizations in some kind of abbreviated form.

Having sat on the committee that studied Bill 163, An Act to amend the Residential Tenancies Act, and again at the hearings on OHC, I felt it was advantageous both to the tenants and the ministry for information to be disseminated freely. Rather than hide this information from tenants, I think the ministry would be well advised to give them the information so they and the ministry can deal from a strong position. No matter what the tenants say, OHC has the final say and it has the funding that goes with it. It should not feel so insecure and weak it cannot even give out the regulations and let the tenants see them freely.

As a result of the hearings, we recommended a new field manual be fully available to tenants and tenant organizations, that the local housing authorities be open to the public and that minutes be kept. I see no reason why this cannot be done. The highest courts in Canada and the province are open, as is this House, and people can come here and listen to the debate on policies. This is where the policies are articulated and finalized.

**9:10 p.m.**

I cannot understand why housing authorities and our municipal councils are not open to the public. We find that some of our bodies, which often have less authority, are very shy of the camera, and want to have secret meetings and keep their minutes out of the reach of the public because they obviously feel that the public would not understand them. They feel they are much more brilliant and wise than the public out there, and think they should hide everything from the public because they cannot grasp the immensity of the decisions they are making.

I am not talking about issues that concern personnel or property acquisition or litigation or things of this nature. The minister, as he is going to be the new minister of municipal affairs and housing, understands that councils should open up their meetings. He is in agreement that councils should open up all their discussions with the exception of these three or four areas. Why cannot housing authorities do the same thing? Why cannot other organizations, commissions, boards and so forth across the province do the same thing?

That is how the public is going to become less cynical and more involved in the kind of decision making that we have in the province; unless, of course, we want to keep the public out, or we do not want to involve the public in these kinds of decisions.

Another recommendation was that the OHC board meetings keep minutes and be open, and that a public relations campaign be waged to disseminate information to let the public know exactly what OHC is doing.

Finally, I want to deal with the minority report. As members know, the Liberal and New Democratic Parties put in one minority report.

**Mr. Philip:** A majority report.

**Mr. Epp:** A majority report. It was a minority-majority report, or a majority-minority report.

Mr. Speaker, I recognize you did not have the benefit of all these discussions in the last session of this House, but nevertheless they were important recommendations. As well as all the other 119 majority recommendations, this minority recommendation was important. It is found on page 47 of the report and it reads that, "Each local housing authority establish a tenant appeal board consisting of an elected tenant representative, an OHC appointed representative, and a third party jointly agreed on by the other two parties, to deal with appeals from an original transfer decision."

The minister has already indicated that he does not believe that the tenant representative should be elected by the tenants. I would take exception to that. I believe the tenants should have some kind of input here and that person should be elected freely from among the tenants. I would think the minister would be interested in having somebody represent the tenants, because these problems they are facing would come to the fore, and open discussion of these various problems would then lead to a quicker resolution of the problem than to have these problems ferment and often become greater

in stature than they actually are. I would hope the minister would reconsider his position with respect to that particular recommendation.

I also take issue with the minority report that the Progressive Conservative members on the committee included in the report. I note that on page two of that minority report, they said, "We find that the committee's recommendations give little, if any, credit to OHC and its staff in its efforts to provide affordable housing to many disadvantaged members of our society."

I think, very rightly we gave credit to the staff. I have done it tonight. I did it during the hearings. I appreciate it very much. I told them individually that I appreciated it. We told them at the hearings that we did. I think this is representative of people who were not at the hearings to hear what was going on. I must have attended about 85 to 90 per cent of those hearings, like all the other members except the chairman—I was not at all of them, but I was at a large majority of them—and I think the staff were given credit.

For anybody to put that in a report he must feel very sensitive. I do not think it was necessary, and I do not think the staff felt it was necessary, for us to say every day what a great job they were doing. To quote Shakespeare, "The lady doth protest too much, methinks." I think the staff did a good job, and I think that was recognized at the committee.

In addition, the minority report here says that, "As a result, we feel that Ontario Housing Corporation, and to some extent the ministry, did not receive an objective hearing before the committee, and this is reflected in some aspects of the committee's report."

I do not recall any time when the committee cut off the ministry personnel—Mr. Beesley, Mrs. Niddrie or anyone else who represented the ministry. They were always given front seats there with a microphone in front of them. They were asked to give their presentations, and I do not think for a moment that they were deprived of an opportunity to give the committee any and all information they had available.

On page four of that minority report the committee goes on to speak about a number of matters, but it says, "In that context, we repeat that we find a number of the committee's recommendations in its main report unacceptable, or at very least less than accurate, in reflecting the reality of Ontario's assisted-housing programs today."

The subcommittee was made up of a representative of each of the parties: Mr. Lane



was on there for the Conservatives, I was on there for the Liberals, and Mr. Cooke was on there for the NDP. I thought the subcommittee dealt with all the matters, and the committee after that had a good opportunity to read the various recommendations. It was not until the very last day or so, when the hearings were actually held, that the Conservatives came out in full force.

Speaking about expansion of mandate and program delivery, the minority report says:

"A number of recommendations and remarks in the main report suggest that OHC should become involved in providing emergency housing, assisted housing for single persons under age 60 (both existing tenants no longer eligible and new applicants) and persons with emotional handicaps.

"While it would be easy to agree with some of these proposals on the basis that they represent 'motherhood' issues, we must suggest that the government, in being fiscally responsible, must continue to set priorities in providing housing assistance."

Nobody is suggesting that the housing authority and the government should not set priorities. What we are saying through this report is that, in drawing their attention to certain problems, they should give greater priority to some of the things they are not giving priority to.

Everybody has acknowledged the fact that the government has the final say on the matter. Somehow or other they belittle the word "motherhood" by saying that, if something is fairly acceptable, if something has a lot of public support, it should be called a "motherhood" issue and therefore should not be accepted. I am sure my colleague the member for Hamilton Centre (Ms. Copps) would take exception to the word "motherhood;" maybe they should use "fatherhood" issues, or something of that nature, to be equal to both sides.

There are other matters I would like to speak on, but there are other members who want to speak on this, and I just want to say finally that the last two paragraphs dealing with the actions of the chairman of the committee are, I think, unfounded and altogether without substance.

It is true that the chairman was very interested in the activities of the committee, as the chairman should be; it is true, to the best of my knowledge, that he attended all the meetings and asked questions of the witnesses, whether they were there presenting briefs or whether they were members of the OHC or housing authorities; and it is true, as indicated earlier, that he participated very actively.

But I take exception to the claim that he was a very partial chairman. I take exception to the claim that he did not conduct himself in the way chairmen should conduct themselves. If the members of the Conservative Party want to put in a minority report of this nature, they should be there during the conduct of those meetings and they should come up with better evidence than mere assumptions, as they have in this case.

Again, I want to take this opportunity of thanking those people who participated in the hearings, both the public and private persons, and commend this report to the government for its adoption.

**9:20 p.m.**

**Mr. Cooke:** Mr. Speaker, I want to spend a few minutes speaking about this report. As a relatively new member of the Legislature, I have not been on many committees, but in this committee I learned an awful lot in the sessions, the hearings and the bit of travelling we did across the province. I consider it an honour to have been part of this committee. I think most of the recommendations that the committee formulated are good ones and worthy of consideration by the Minister of Housing (Mr. Bennett).

However, I understand the vast majority of the recommendations, if not all of them, were rejected out of hand by the minister. I am hoping, even with their massive majority and the way they abuse the power of that majority, as they did this afternoon, that even under those circumstances the Minister of Housing will reconsider these recommendations, because by and large they do reflect the feelings of OHC tenants across this province. They are tenants he should be concerned with, because if the tenants in OHC and public housing are happy then there is no doubt at all the projects are going to run more smoothly. There will not be the maintenance problems there are now. A lot of the problems that exist, a lot of the poor communication that exists, can be overcome with many of the recommendations outlined in this report.

Contrary to what a lot of people feel in this province, perhaps even many members of this Legislature, most of the tenants in public housing are proud of the housing they live in. When I was a community organizer with the United Way in Windsor, I worked in a public housing project. I remember there was a very nasty article in our local paper about public housing. Within 24 hours petitions were on the road to

protest the article in the Windsor Star, indicating that, while there were problems in public housing, they were proud of their neighbourhoods and wanted to make them better.

I do not think we should look at the people in OHC as being different from you and me. They may have income problems, but it is up to us through the public sector to assist those people in getting adequate housing. This province has gone some way towards doing that but not nearly as far as it has to go.

I was really struck at the committee hearings by the differences between the housing authorities in this province. We certainly met with the people in Toronto, but I chaired the subcommittee that travelled to Hamilton and Windsor. I was absolutely shocked at the relationship between the Hamilton housing authority and the tenants in the Hamilton housing area. There was obviously very little communication. There was obviously unneeded bureaucracy in that particular housing authority. They used the policies and the rules in a very strict, narrow interpretation against the tenants of the housing authority in Hamilton and, as a result, there was a very poor working relationship.

On the other hand, when we travelled to Windsor, there was constant praise for the housing authority. There was praise because there is communication, there are meetings with the project managers, there are meetings with the members of the housing authority and there is open communication. Most of the time the problems are solved. There are times when they are not solved but, at least, there is always understanding. As I say, I was very shocked by the rotten communication and the relationship that existed between the Hamilton people and the housing authority.

Many maintenance problems were raised with the committee while they were in Hamilton. There was a statement made by one individual—I forget his name; it is certainly recorded some place in the hearings of the committee—who was with the housing authority in Hamilton. He stated, “We won’t take any action on the maintenance problems that were outlined in the Hamilton area until we have seen the committee report.” I did not understand. I had tenants writing to me from the Hamilton area after that, and I certainly could not understand why they would not react to some of the serious maintenance problems.

The high-rise building we visited in Hamilton was a clear example of why we should never use high-rise buildings for family housing in the

public sector. My own preference is that in the private sector I would not want to raise a family in a high-rise building, although in areas like Toronto, with the high cost of housing, there is little alternative.

In Hamilton, the maintenance problems in that high-rise building were incredible. The destruction was incredible. The elevators were a mess. The fire escapes and the stairways were not kept up at all. Children used those stairways for various purposes. It was obvious they had not been cleaned. The smell in them was incredible and, if I had not seen it, I would not have believed it.

Whereas, when we did visit the high-rise building in Windsor, there were not those problems. I think it was because there was communication. Also, communication was helped in that area because there was a strong tenants’ association. I think the only way some of these problems can be resolved is if there are strong tenants’ associations, and the only way they can be formed, can be developed and can be strong is through financial support on the part of the Ontario Housing Corporation. I will get to that later when I address some of the specific recommendations.

I talked about the high-rise buildings. One of the recommendations does address the problem of the recreation and social programs that must exist in the projects which in many cases do not exist. Ontario Housing’s position is that the municipality has a role to play in providing recreation and social programs in the projects. The municipalities in many cases take the position that they are provincial government projects and it should provide the facilities.

I believe strongly that the municipality does have a role to play. The municipality provides these programs in the private sector. There are parks dedications or money in lieu of parks dedications but they provide the programming.

What this ministry must do, and the recommendation in the report addresses this on page 34, is initiate discussions with the municipalities and the housing authorities to get agreements so that programs are provided.

There is a project in my riding called Ford-Ferndale. It had property that was fenced and landscaped but had absolutely no equipment for the many children who lived in that area. I wrote to the housing authority every year, even before I was elected to this Legislature, asking when the equipment was going to be put there.

It was rather silly, but the city of Windsor in its parks yard had equipment sitting there not



being used, but it would not put it there because it considered this to be Windsor Housing Authority property. At the same time, the Windsor Housing Authority apparently did not have the money in its budget to provide the equipment.

I could not figure out why the municipality and the housing authority could not sit down and come to some agreement so that this park land could be properly used. Finally, the Windsor Housing Authority did get the money in the budget and the provincial government did provide it.

There is no reason why there cannot be a better working relationship and more communication on local recreation between the city councils and the housing authorities so that we make best use of things and so that the cities live up to their responsibilities, not only for the equipment but also for staffing the parks to provide programs during the summer for the children in those areas.

Many of the programs are provided in some of the projects on the basis of tenants' associations. One of the things the Downtown Community Citizens' Organization, through Donna Gamble, pointed out to us when we were in Windsor was that the Windsor Housing Authority was changing its policy about pets in that project. The reason was that the housing authority and the citizens' group had been able to work out a compromise, and they had pets in the project. One would not know it. There was no damage from dogs. There were no dogs running around. Because there was a tenants' association that worked with the tenants and set out the rules, the rules were obeyed, and there simply was no problem with having pets in that particular project.

**9:30 p.m.**

I do not think tenants' associations are something the minister or the housing authority should fear. They are something they should encourage, and not just by words but also financially. There is a recommendation in the report that talks about doubling the financing. I personally do not feel that comes anywhere near what is needed. There is another recommendation that says they can take a look at full-time staffing for some of the tenants' associations, and I think that is what we have to be getting into.

There has to be a mechanism worked out where staffing is provided and ongoing funding is provided so that the tenants' associations can provide programming, develop a strong association and develop communication. I believe

strongly that some of the problems we saw in Hamilton and some of the problems that were talked about in other communities could be resolved by that kind of approach.

One of the other recommendations dealt with the waiting list and the points system now in place. We constantly got from the Ontario Housing Corporation the fact that we did not need any more public housing in this province; the turnover rate took care of the waiting lists, and there was no more need to build projects in this province.

However, a report that was recently released by the new Toronto housing authority indicates very clearly that the waiting list is up in the city of Toronto. In fact, on March 31, 1981, the waiting list stood at 3,746 applicants, whereas on January 1, 1981, it stood at 3,163; that is a significant increase, about a 20 per cent increase.

Not only has the waiting list increased, but also the turnover rate has decreased. For example, in September 1979 there were 1,000 people housed by the Toronto housing authority—the turnover rate was that high—yet in March 1981 the turnover rate was only 613, which clearly indicates that we have a problem with the waiting list for public housing in Toronto and that the ministry has to respond.

The committee looked at the alternatives, and after hearing evidence from other people giving their presentations to the committee, as well as OHC, it was their conclusion, including that of the Conservative members of the committee, that the government's present rent supplement program should be phased out. Direct ownership by the government or co-op and nonprofit housing with 25 per cent or a higher percentage of geared-to-income units was the way we should be going. The direct ownership route meant that while there was an initial outlay of capital to build the projects, the equity built into the system and ownership by the ministry meant it was cheaper for the people in the province to have direct ownership.

I know that people now using the rent supplement program have a tremendous feeling of insecurity, because when the vacancy rate drops in a particular municipality it is not uncommon for private landlords to cancel the programs for rent supplement. That is not uncommon; it has happened in several cases in my own riding. Constituents have called me, saying they have been given notice to get out of the homes they have been in for a couple of years, because the landlord has decided to cancel the rent supplement program.

It is essential that we take a look at the needs in this province and develop the alternatives—co-op housing, nonprofit housing and the medium-sized and small projects in public housing—to meet those needs. Right now, there is nothing in this province, no program at all. For example, in Toronto where housing prices are going up and the waiting list is increasing, there is no program, no way for the ministry to respond quickly.

In the city of Windsor and in Essex county, where we have a high unemployment rate and people are losing their homes, we have a significant vacancy rate; I think it is up to eight per cent in the private sector. But someone on welfare or unemployment insurance cannot possibly afford to live in the private sector. There is no mechanism to help people get housing and assistance.

That is why we have the recommendation in this report that there should be a housing allowance that can help these people stay in the private sector on a short-term basis until they can get a job and get themselves back on their feet and be able to afford private housing on their own. We recommended a short-term solution to that.

There should be a program that can be put into place in communities like Windsor, Metro Toronto, Brantford and Sudbury when they have a high unemployment problem. We could immediately step in on an emergency basis and provide the housing allowances to help people stay in their homes. As I say, that would be a short-term solution, but none the less it would be an emergency solution to solve emergency problems.

The committee addressed the point rating system, and I think there was unanimous agreement in the committee that the point rating system must take other aspects of housing problems into consideration to a much greater degree. For example, for a family that needs housing, one of the biggest factors in determining whether it qualifies for public housing is the family's present housing. It does not take into consideration to an adequate level the economic problems they may be suffering and whether they can afford to stay in the private housing they are now in.

In many cases that is the number one problem. They may have adequate housing in the private sector but if they cannot afford it—if unemployment has come, if there has been a death in the family or something like that, and the economic circumstances have changed—

there should be a way the point system indicates that and recognizes that in a very quick way so they can get into the public housing sector very quickly.

We talked about the need for different systems. Rather than handicapped people using the senior citizen point system, there should be new systems for both of them. For example, for senior citizens right now in the public sector, they primarily look at the existing housing and their economic problems. In many cases there are other reasons why senior citizens would like to go to the senior citizen high-rise buildings in the public sector: social reasons, recreational reasons, for company, psychological, whatever—there are a whole host of them. They may be able to afford the full market rent and, if they can, then there would be nothing wrong with letting those people come into the public housing projects, pay the full rent, and take advantage of having the company of people their own age and the programs. They could enjoy life rather than having to stay in a high-rise building that has younger people in it and does not have the programs that many of our senior citizens' buildings now have.

Housing for handicapped in the province is not nearly adequate. In particular, the housing for those people who have had emotional problems and are single is inadequate. There is no housing for them. As the minister knows, the mandate for Ontario housing does not include those people.

**Hon. Mr. Bennett:** Get up to date.

**Mr. Cooke:** When was that changed?

**Hon. Mr. Bennett:** January.

**Mr. Cooke:** Is the minister providing the housing now?

**Hon. Mr. Bennett:** That is correct.

**Mr. Cooke:** Does he have units available? He certainly does not have units available in the city of Windsor, because I have talked to the Windsor Housing Authority and they do not have units. They were using 22 units before he gave them the mandate to provide the housing for those people, but they were going beyond his mandate. They do not have any more units. There were no more built, no more acquired.

**Hon. Mr. Bennett:** I didn't say we were going to build them.

**Mr. Cooke:** It is fine to give them the mandate but, if there is not housing to put them in, then it does not do them much good. I have had many cases of individuals who had psychological



problems, who were in our psychiatric wards, many suffering from depression. They come out and go into the private sector and find something they can afford on a community and social service disability allowance, but the housing and apartments are so depressing that the next thing we know they are back in the hospital. It is a revolving-door syndrome.

Just from an economic point of view it makes sense to provide them with adequate housing so their lives are better, so they are not in a slum—which is the case for many of these people—so we keep them out of the hospitals and so there is a full recovery.

Housing is not the only aspect—I understand that—but it is one of the aspects of rehabilitation. If the minister has expanded the mandate, I welcome that. But if he is going to expand the mandate, he also has to provide the housing. In this report, we have made recommendations about how the housing should be expanded.

**9:40 p.m.**

Finally, I want to spend a little time talking about the two dissents. First, I think the Conservative dissent was totally unfair. I cannot recall them ever voicing the concern that they felt the hearings were not proper when the committee was sitting. They certainly had the opportunity to question the Ontario Housing people. I think all members of the committee, including Liberals and New Democrats, expressed their appreciation to the Ontario Housing people and to other people who testified in front of the committee. To say the committee did not give full and fair hearing to all people that appeared before it I think is totally incorrect.

If we are going to develop a good working relationship between the housing authorities and the tenants, then there very clearly has to be a way for tenants to connect into the decision-making process in the housing authorities. I feel very strongly that there has to be tenant representation, and I feel the recommendation made in this report is a fair one. It is a way we can get someone on the housing authorities to truly represent tenants and express their points of view.

I wish the minister were listening, because I would like to hear an adequate explanation for what happened at the Windsor Housing Authority. The housing authority people elected their own chairman, and the Minister of Housing said that individual was not acceptable to him. Instead, he appointed a well-known Tory hack to be chairman of the housing authority. As a result, most of the housing authority quit. The

minister said it was not any kind of patronage, but I do not know what else it can be called. It certainly did not do anything for the image of the housing authority.

**Hon. Miss Stephenson:** The member for Waterloo North (Mr. Epp) just said the Windsor housing—

**Mr. Cooke:** Is the Minister of Education going to join this debate too?

**Hon. Miss Stephenson:** No. But I heard the member for Waterloo North say he was happy about some of the housing in Windsor.

**Mr. Cooke:** The chairman of the housing authority does not have the confidence of the tenants as a result of the decision made by the minister, and we lost some very good representatives on the Windsor Housing Authority because of the assumption by the minister that he could choose a better chairman than could the people on the housing authority themselves.

I feel, as does the committee, that the minister has to re-examine this. He has to make sure there are tenant representatives, and not simply tenants who do not represent tenants. As the minister said, anyone can get on a housing authority, but he does not want someone who represents what he calls an interest group—which would be a tenant to represent a tenant. These representatives have to be tenants who are qualified, who live in the projects, who understand the problems and who can communicate.

It certainly does nothing for a housing authority when the minister appoints as its chairman a Conservative lawyer who had never served on a housing authority before and who does not have an iota of knowledge of what is going on in the Windsor Housing Authority projects.

Somebody who did know a lot was the person chosen by the authority, who happened not to be a supporter of my party but a supporter of the Liberal Party and a member of the Liberal association in my riding. None the less, even though she obviously does not understand the political system very well and her allegiance to the Liberal Party is totally wrong, she does understand the problems in the public housing sector and would have made a good chairman.

The arrogance shown by this minister in overruling the housing authority and choosing a Conservative lawyer was wrong and has blown the credibility of the Windsor Housing Authority as a result.

I hope the minister will re-examine his initial response to this report. I think it is a good

report. It is certainly the first time in many years of the Ontario Housing Corporation where we went and talked to tenants and listened to them and wrote a detailed report. I hope he will give us a more positive response tonight than he did to the justice committee at the end of the hearings.

The minister should tell us that he has looked at these recommendations with an open mind and has decided that some of them are good and they are not all to be thrown out the window. The minister should tell us tonight which ones he has implemented.

**Ms. Copps:** Mr. Speaker, I did not have the advantage of sitting on the committee that made up the report we are discussing tonight. I think some of the points raised by colleagues on all sides are very pertinent and should be taken into consideration. I did, however, have a perspective that was somewhat different in my work for the last four years as a constituency assistant in the city of Hamilton.

I wish to draw to the attention of the minister certain sections of the report that I feel are critical and, as mentioned by the previous Liberal speaker, should be acted upon and acted upon immediately.

On page 39 of the report, the Hamilton-Wentworth Housing Authority is raised as an example of an authority across the province that has been beset by problems and tenant dissatisfaction. "While visiting Hamilton, the committee heard evidence of serious maintenance problems, of serious security problems, and of insufficient recreational programming, inadequate garbage facilities and so on. In addition, communication between the housing authority and the tenants seemed poor."

I want to relate to this House the experience I had in working with the Hamilton-Wentworth Housing Authority over the last four years, not only as a representative of a member of the provincial parliament but also as a representative of the Leader of the Opposition (Mr. Smith).

The only treatment I can state I have received from the Hamilton-Wentworth Housing Authority, and in particular the senior members of the authority, has been complete obstruction and obfuscation. I do not know whether the committee was aware of this, but any political representation made to the housing authority had to be made only through the superintendent. We were not allowed to go through any other members of the authority.

We never got any answers. We had cases of legitimate people who could not even get an

answer from the Hamilton-Wentworth Housing Authority. When the Leader of the Opposition addressed letters to it, he did not even get the courtesy of a reply. When we have this situation facing our political representatives, we can only expect that the treatment of the tenants is 10 times worse.

**Hon. Miss Stephenson:** Not necessarily.

**Ms. Copps:** I am sorry, but in my experience I have been told straight from the horse's mouth that the superintendent in Hamilton knows what these people are like and has no intention of doing anything to facilitate the situation in that housing authority, which is indeed a disgrace. If the minister had ever been over there and had a chance to talk about the treatment some of these tenants receive, she would understand my comments. I am talking from four years of experience and from cases that I can document if she would like to see them.

**Mr. Philip:** Even the Conservative members were shocked with Hamilton.

**Hon. Miss Stephenson:** The assumption the member made was not necessarily a valid deduction.

**Ms. Copps:** I also wish to draw attention to the recommendations made with respect to senior citizen housing. In Hamilton—and I do not know how this compares with other areas across the province—we have a number of senior citizen units and a number of seniors who are in need of Hamilton-Wentworth housing assistance. I ask the minister to seriously consider recommendation 116, which asks that the housing corporation should consider converting bachelor units into one-bedroom suites.

I can relate to him personal circumstances of many seniors who not only are living on a very low budget, many of them close to the poverty line, but also are forced to give up their homes and most of their possessions to fit into some of these rooms—I would call them rooms; they are not even bachelor apartments—within the authority.

It is impossible for them to function as human beings looking to have some relaxation in their golden years or their retirement years. Instead, they are stuffed away into what can only be described as shoe boxes. The evidence of the vacancy rate in the bachelor apartments is testament to the fact that many seniors would rather not go into subsidized housing than be faced with living in these shoe boxes.

I ask the minister to do everything in his power to see that in Hamilton in particular the



bachelor suites are done away with. Indeed, I would go as far as to say that not only should they not be used to house seniors but also they should not be used to house the needy or disabled young people. They are not livable. I think there should be a minimum spacial requirement to guarantee the mental and physical wellbeing of these people.

**9:50 p.m.**

The minister may feel I am being overly generous to some of the individuals involved, who after all are receiving publicly assisted housing. But I ask him to consider representations I have personally received on numerous occasions from men and women, some of whom are approaching their middle and late 80s, who have come to the office of the Leader of the Opposition literally in tears. I can document cases of people who have lived in bachelor apartments for more than 10 years and have applied and reapplied for transfers. The answer they got from the superintendent was, "If you don't like it, you can leave." These are people who, at their age, could not get up the strength financially or emotionally to move into private housing.

The position of the housing authority has been very intransigent in this regard. Specifically, in the Hamilton area something should be done to allow our seniors more mobility within the Hamilton-Wentworth Housing Authority.

I also wish the minister to seriously consider recommendation 112, which asks that the authorities consider not only the financial picture but also the mental and emotional factors for seniors who have applied to get into publicly assisted housing.

In Hamilton, and this speaks well for the social committees that operate in some of the buildings, specifically in my leader's riding, there is a building called the Main-Hess Building, which operates a very successful senior citizens' centre. The residents from around that area, who number almost 2,000 if we include some of the other senior citizens buildings in the area, love to congregate and socialize at the Main-Hess social centre.

In many cases, seniors who have the financial means to live in private accommodation would desperately prefer to move into publicly assisted housing and would be prepared to pay market value for the accommodation so they might be near their friends and share in some of the social benefits that accrue from senior citizens housing, especially in Hamilton.

I also want the minister to take special note of

recommendation 118, regarding fire drills. In a specific building in our area there was a very serious case of arson in which a number of fires were set over the last couple of years. The seniors not only did not file out but also were told to sit in the hallways and wait until something happened. Luckily, there was no serious damage or physical harm done to the seniors, but it could have been a disastrous situation.

Likewise, I want to comment briefly on dissenting opinion B, as presented by the members on the government side. I am sorry no member who signed that document is here tonight; so perhaps discussion is somewhat futile. However, I think there are several discrepancies in the addendum of dissenting opinion as presented by members of the government party.

Specifically on page 11, on the issue of tenant relations, they state, "One of these myths seems to be that OHC staff and housing authorities are intentionally and continuously arbitrary and insensitive in their dealings with tenants." I am not aware of the situation across the province, but I think that is a fair reflection of the attitude of some of the senior members of the Hamilton-Wentworth Housing Authority; I refer specifically to the paid members, not to the voluntary ones. I think that should be acted upon.

I can cite case after case of insensitivity to members of the public who are using public housing, whether it be seniors or families. They have been told outright that if they do not like it they can move. These people are good, taxpaying, upstanding citizens who are only trying to make ends meet in publicly assisted housing.

I also want to refer to the comments on page 13, where they say they cannot agree with the committee's arguments for the inclusion of an elected tenant representative on a local housing authority. They are quoting the minister at this point, and they concur with the then minister's remarks:

"In my view, tenants should not be appointed as representatives of organized senior citizen groups or of groups of handicapped persons or tenants generally because this would provide an opportunity for that particular group to advance their interests, perhaps at the expense of other tenants."

I was under the impression that we live within a democratic process. I am also under the impression that many of us who are elected to office here in the Legislature are elected to do just that: to advance the interests of a particular group. Just because that group happens to be a

group of tenants does not make its right to representation in a democratic process any less fair than if a person were to be elected to the Legislature, to a city council or to any other position.

I think the opinion expressed by the then minister is antiquated and is representative of the kind of obfuscation that we see at the level of the Hamilton-Wentworth Housing Authority. It is easy to understand why the senior officials at the Hamilton-Wentworth Housing Authority are allowed to get away with the kind of tenant intimidation that they are successful in doing when we see this kind of comment coming out of the minister's office. I say that should be stricken from this report.

Likewise, they go on to talk about some of the tenants who have been appointed to housing authorities. They refer to a woman who was chosen, not "because she is a tenant or an advocate of tenant issues"—heaven forbid—"but because she is a sincere person deeply involved in community affairs." I do not see anything wrong with appointing a tenant who is an advocate of tenant issues. After all, housing authorities are made up of tenants who presumably would like to have a say in how their affairs are being governed.

Neither can I agree with the recommendation that the authority should support an internal appeal mechanism, because "to do otherwise would undermine the autonomy of local housing authorities. . ." From my point of view, the housing authority in Hamilton has had autonomy for long enough, and it is about time that some of their operations were opened up and the appeal procedure was made in a more independent manner.

Likewise, on pages 17 and 18, the dissenting opinion addresses the question of vandalism and the security problems in some housing authority areas. It seems to me that the contradictions expressed on pages 17 and 18 are an example of the confused opinion that is expressed by the Conservative members of this committee.

On page 17 they say, "As well, the entire thrust of the committee's recommendations on security/vandalism seem to imply that OHC tenants. . .are more prone to vandalism and crime than is prevalent in the surrounding community." Then on page 18 they say, "We acknowledge that OHC recognizes security problems occur in some of its projects and spent \$4.1 million last year to provide supplementary security service."

Which is it? Is there a vandalism problem or is there not? On page 17 we see there is no vandalism problem and nothing should be done, and on page 18 we see that the very members of the government party who are saying there is no problem have authorized an expenditure of \$4.1 million for supplementary security service. I think that is indicative of the kind of confusion we can see is evident in the dissenting report.

Likewise, I want to comment to the members of the House tonight about another part of the dissenting opinion expressed by the members of the Conservative Party on this committee: "Recommendations to go into a report should not be the subject of discussion and debate with the public during the writing of a report."

If there is to be no discussion or debate with the public, then what is the purpose of having a committee and drawing up a report in the first place? My understanding of the select committee's process is that it was to encourage discussion and debate from the public prior to the writing of any report. I say that is just another example of the confused response of Conservative members to the select committee on the housing situation.

I want to close by supporting the opinion expressed by my colleagues in the Liberal Party and my friends in the New Democratic Party that there should be tenant representation, and independent tenant representation, in the Ontario Housing Corporation.

#### 10 p.m.

I know the Hamilton situation will not be resolved until we get some kind of dialogue. I can see that my attempts over the last four years to dialogue with the Ontario Housing Corporation in Hamilton or the Hamilton-Wentworth Housing Authority were futile. If they were futile when I was representing the Leader of the Opposition, I have no doubt that for a tenant to attempt to talk with the authority is just impossible at present.

The only way that dialogue will get started is if we get a clear indication from the Minister of Housing that it is a province-wide policy to include tenants as advocates in discussing policy changes and revisions to the decisions of the Ontario Housing Corporation with respect to housing authorities across the province.

It is the mandate of this minister to carry on with the kind of work that has been done in Windsor and other areas, because he is going to be leading public opinion in this regard. Areas like Hamilton will not change with respect to the Hamilton-Wentworth Housing Authority



unless and until he, as minister, insists the dialogue be a two-way street between tenants and the authority by having tenant representatives and open appeal procedures.

**Mr. Mackenzie:** Mr. Speaker, I will only take a few minutes to make a few comments, which will also be based largely on the Hamilton situation. I first want to congratulate the committee on the report it has come up with and on many of the recommendations; I think they are excellent.

It is unfortunate that any recommendations that are going to be carried out are probably those we see in the minority Conservative report. If that is taken as being a little cynical, I am afraid that is exactly how I feel about it.

I want to say very clearly that the arguments that have been made about the situation in Hamilton are all too true. I have been wrestling with the local housing authority since I was elected in 1975, and my predecessor was wrestling with it before me. There are some serious problems there, and the minister should know it.

I am disappointed that some of the Tory members who signed the report are not in the House, because one or two of them have commented, as has the member for Waterloo North and my colleagues, on the almost disgusted reaction they had to the performance of the housing authority people, and in particular to the chairman in Hamilton, on the reaction they had to the appearance of some of the units and on the reaction they had to the testimony before the committee while it was in Hamilton.

There is certainly a problem there. The committee report on page 21 singles out Hamilton and Etobicoke as the poorest in appearance of all of the areas it covered. There are some good comments about some of the other areas.

On page 39, as has already been referred to, the report talks about the good relationships in Ottawa and Windsor and then goes on to say in the third paragraph, "the Hamilton-Wentworth Housing Authority seemed to be beset by problems and tenant dissatisfaction ran high. While visiting Hamilton, the committee heard evidence of serious maintenance problems (and, indeed, saw evidence of these), of serious security problems," and it goes on with some other comments about the situation.

I guess, to some extent, I almost feel a little remiss in not having had a real public confrontation with the housing authority. We have worked desperately during the almost five and a half years I have been a member to try to keep things

cooled down and to get what co-operation we could. The comments to the tenants referred to by the member for Hamilton Centre (Ms. Copps), and the totally negative reaction of some of the people in the local authority, are all too obvious.

The minister may not remember but four years ago, when the service ended of the one really good board member we had who was put on originally by the province as a labour representative—and I am talking about Ken O'Neal—our problems increased from that point on. He was at least one advocate on that board who could bring some of the people who were running the authority down to earth. We could go to him and he would try to talk some sense and avoid some of the bad public relations that existed with the local housing authority.

When his term was up I went to the minister and said: "Look, this is the one useful person we have had on that board. He has been very constructive. He is respected by all segments of the community. Will you see we get another such appointment?" I think I suggested at the time it did not have to be someone from labour. That was just the service Mr. O'Neal came from, and it was recognized when he was appointed to that board. We never got that appointment, and we have not had co-operation in setting up tenants' groups in the Hamilton Housing Authority area.

The problems are really twofold: tenant participation and power in that authority. The one tenant representative on the board is chosen arbitrarily by the Hamilton-Wentworth Housing Authority. There seems to be very little consultation with any of the groups or any of the people. It is really their appointment to the board, and he has usually been a rather passive participant on the board.

We do not have enough community relations workers. In the east end of Hamilton we have two community relations workers who are responsible for 16 projects housing more than 10,000 tenants in the area. So we have a problem there. It means we do not have the kind of representation we need.

The tenants ask these workers to see if they cannot help them in setting up a tenants' group. It should be the other way around. If you are going to have co-operation, especially where you have a bad situation, it should be the workers who go to the tenants and encourage them. It is never easy to set up tenants' groups. The minister should know that. But certainly it is not an initiative that is taken in that particular area.

The real role that the Hamilton-Wentworth Housing Authority sees for itself is strictly one of a landlord. That is part of the problem. The social problems, the destruction, the social responsibility, the fact that there are a large number of lower-income people who are in single-parent families—all these mean there is some need to work on projects that raise the social consciousness and level of awareness of the problems that exist, and a need to see what can be done to help these people in the housing areas.

As I mentioned in this House in the throne speech debate, when I went down to talk to them and raised the fact that we have had a rather drastic increase in the desperate need for family units, I was told, sitting in with three or four of the senior people, "Look, our role is not to worry about whether or not there are enough units; it is to manage the units we do have." That is the kind of attitude we have in that area.

I think it is a serious situation, and the minister should take a look at the Hamilton-Wentworth Housing Authority. I am pretty doggone sure that others have raised it with him—either that or the Tories are really a pretty quiet bunch, because, as I say, apart from the Liberal members in that committee, two or three of them raised the fact that they were sort of disgusted by what they ran into in the hearings in the city of Hamilton.

Also, as I understand it, a biannual review of the Hamilton housing authority is coming up. The review is done, as I am told, by the parent body of the Ontario Housing Corporation. I am not aware of the procedures. I think that in this review the tenants should have some input. They are really the only reason the authority exists, and yet they do not seem to get to participate in any constructive way in that kind of review. It is strictly an internal review. I wish the minister would take a look at that as well.

There are a number of things that could be said. I have one other final comment only. The other day I drove by the seniors' units up on Mohawk and Upper Wentworth. They are only four-storey units, and they are very attractive. I like the grounds and the work that is done around them. I thought to myself that this is one constructive thing, one constructive project the authority has put up. I share all the concerns that have been raised about families and even seniors in the very high-rise type of units. I hope the direction for housing units in future is towards the project that is at the corner of Mohawk and Upper Wentworth rather than these high-rise towers.

**Mr. Cassidy:** Mr. Speaker, I am aware that the debate is very close to an end and that the minister should be given time to speak. I therefore wish to speak only very briefly.

Back in 1975, I became the housing critic for the New Democratic Party just after that election. I occupied that position for about three years. It was shortly after the formation of the Ministry of Housing. The Ministry of Housing had then taken responsibility for the Ontario Housing Corporation, which had been independent up until 1974.

I think it was in 1976, when the late John Rhodes was the minister, that I took the opportunity in the estimates to go systematically through every aspect of OHC administration with the government at that time. That was five years ago, and nothing has changed between then and now.

The report here, which is an excellent report, covers exactly the same ground that was covered at that time five years ago. If anything, it has added some new problems because of the fact that since 1976 there has been no construction of family accommodation to speak of by the OHC. And, as we have seen recently, the lists are getting longer, despite every effort that OHC makes to try to prune the lists, because of the housing crisis in the province.

**10:10 p.m.**

I want to focus on one thing that deeply distresses me; it is the way the government has systematically ignored the potential to involve tenants in the operation of OHC. Somebody who has a home of his or her own has the opportunity to look after the home, to maintain it, to make decisions about its future and, among other things, to learn about decision-making and about responsibility in the process.

But for as long as I have been in contact with the OHC, that provincial corporation has quite systematically carried out a policy of distancing itself from tenants, trying to treat the tenants as being irrelevant to the process of running the projects and the communities where they live, and trying to discourage their participation.

For example, the fact that the Federation of Metro Tenants' Associations was systematically discouraged, while at the same time the Association of Ontario Housing Authorities used to get a subsidy of \$160,000 or so a year from the OHC and the housing authority—it probably gets more today—indicates the priorities of this government.

The fact that the government has consistently resisted the appointment of tenant-chosen rep-



representatives to local housing authority boards and the fact that this minister was the one who obstructed the city of Ottawa's appointment of Ms. Elaine Atkinson, who was a tenant at that time, to be a representative on the board of the Ottawa Housing Authority indicate the attitude. That attitude is wrong and, until it is changed, we will continue to have problems that I believe can be avoided.

Tenants should be involved in running a project. Tenant organizations should be recognized and encouraged. Tenants should be able to contribute through their rent, by means of a checkoff, to the operation of a tenants' association, and OHC should be prepared to match the funds contributed in that way by tenants.

Tenants, as recommended here, should be able to earn income by doing some of the work within OHC projects. In many cases an enormous amount of money is spent on a project without asking the community, without actually getting through to the people who live there, in some cases people who have difficulty in finding job opportunities.

Tenants should be able to seek to direct the way the administration goes on to ensure that the buildings are a model to the private sector of how rental accommodation should be run. The building of the community offers an opportunity for self-development for the families living in public housing, and the leadership that emerges within public housing projects should be encouraged rather than discouraged or, in many cases, harassed and hounded out completely.

I could talk at greater length. I commend this entire report to the government. I trust that the Premier (Mr. Davis) and other ministers of the crown are here to join our party in endorsing this report when we vote in a few minutes. After the vote is taken, I hope very much that the government will see that major mistakes have been made in terms of the running of OHC, that it is time to get back to a social housing policy in Ontario and it is time to ensure that the people who live in public housing have a say in how it is run rather than simply being treated as cases or clients who must be administered by a top-down authority the way the local housing authorities have been structured over the last 17 years.

**Hon. Mr. Bennett:** Mr. Speaker, first of all, I want to thank the members for their observations on the report of the standing committee on the administration of justice.

I say very clearly to the member for Hamilton Centre (Ms. Copps) and to the member for Hamilton East (Mr. Mackenzie), in regard to the

Hamilton-Wentworth Housing Authority, that while I have had letters from the member for Hamilton West (Mr. Smith) over the last few years relating to some problems in the community of Hamilton, it has never been said to me specifically that there was something lacking in the housing authority.

I sometimes wonder whether we are talking about the housing authority or some of the personnel who work for the authority. I say to the members from Hamilton that I will be glad to review further exactly who it is we are referring to. It is very clear that appointments to the Hamilton-Wentworth Housing Authority are nominations by the municipal council, by the provincial government and by the federal government. I think we have to be open and honest about it. They represent, likely, a fairly wide spectrum of the political allegiances in that community and indeed in any one of the communities where 61 housing authorities happen to exist.

**Mr. Cassidy:** Until you veto the recommendations.

**Hon. Mr. Bennett:** In the time that the member for Ottawa Centre (Mr. Cassidy) was speaking, I did not interrupt. As the minister, I am allowed something like 15 minutes, while there have been two hours and 15 minutes or thereabouts used by the opposition.

**Mr. Cooke:** You could have spoken first.

**Hon. Mr. Bennett:** I understood that the member for Etobicoke (Mr. Philip), who was the chairman of the committee, asked for that particular privilege and I extended it to him. He asked for it first. Let us not get into that argument and waste my time; let us keep the facts straight.

**Mr. Worton:** Carry on and don't bother with it.

**Hon. Mr. Bennett:** I think the member for Wellington South is likely right; that would be the best thing for me to do.

Let me go through, as quickly as I can, some of the points raised by the various members. But before I do, I want to compliment the staff at Ontario Housing Corporation. The responsibility they have, from the general manager down, is not an easy one in trying to resolve and satisfy some of the situations in this province. I also want to compliment the 61 housing authorities. It is easy for us to sit back at times and throw a little bit at them. Generally speaking, I think those individuals, who serve on their own time without remuneration, do an outstanding job.

I appreciate the comments of the members on all sides of this House at official openings of senior citizen and family units and their words of compliment for the board. I only make the remark again tonight that I will look into the Hamilton one, because it is the first time I have become aware of some discontent by the politicians in that area regarding that particular authority.

The member for Windsor-Riverside (Mr. Cooke) raised the question about parks. I have to say, just so there is no misunderstanding, that the Ontario Housing Corporation, on behalf of the people of Ontario, pays full taxes to each of the municipalities where its projects happen to be located, which is better than 300 communities. There are about 250,000 Ontario citizens who live in some 90,000 housing units that are supported by the Treasury of Ontario and the Treasury of Canada.

When it comes to providing parks, I believe that if we are going to be a full taxpaying operation then we are entitled to the same type of services that any other citizen would expect from his particular community. While we have tried to supplement it in recreational facilities and other accommodations, I do not think the major responsibility should fall on the housing authority. Indeed, it was just a year ago, on April 1, that we relieved the municipalities of this province of a 7.5 per cent cost factor to them on the shortfall in running their units, which amounted to a saving of about \$22 million to municipalities across this province in relation to the Ontario Housing Corporation's portfolio.

Affordability was one of the questions that was raised quite often at the committee. We have adjusted to make affordability one of the highest-rating factors as far as eligibility is concerned in the public housing responsibility. We have taken the advice, I may say, not only of some of the people who appeared before the committee but also of the various tenant associations that over the period of time have asked this government to adjust the rating system to allow affordability a much higher position.

The next item that I think is of some importance, and again the member for Hamilton Centre raised it, concerns the appeals both on the eligibility of transfer and relating to eviction. On the one regarding transfer, we have been reviewing it. Some of the housing authorities across this province have set up a fairly well designed appeal process. We are now encouraging the others, through the Ontario Housing Corporation, to do likewise so that tenants will

have an opportunity to find out why their application has been refused or why eviction takes place.

But let me suggest very quickly that eviction is one of the last things that any one of the 61 authorities wants to get involved in. We will do everything in our power through the housing authority and the Ontario Housing Corporation to facilitate the tenant, if it happens to involve arrears of rent, in working out a program that will allow that particular tenant to remain in his or her unit.

**10:20 p.m.**

One of the other areas where the committee had some remarks to make was regarding my attending on Mr. Cosgrove, who represents CMHC federally, to ask for an adjustment in the cost-sharing factors providing publicly assisted housing in this province. While the chairman indicated I had never approached the federal government, I have done so. We have approached the federal government on many occasions. In this constraint period, which applies not only to this government and the Treasurer of this province but also to the federal Treasury as well, they are not very receptive to expanding the mandate of the Ontario Housing Corporation or indeed the housing corporations in any other province.

Mr. Cosgrove has made it very clear that he also wants us to adjust some of our cost-sharing factors on a formula that I guess was established many years ago, but there were some exceptions made to it for Ontario. He would like, overnight, to make an adjustment that could cost our Treasury an additional \$26 million. At present, with OHC and others, I am disputing this with the federal government.

It would be rather foolish of us, in a constraint period, to be looking to expand the mandate of Ontario Housing Corporation to accommodate everyone in need, regardless of age or any other situation. To expand the mandate to include that would be beyond the toleration of the federal Treasury or indeed of the Treasury of this province. I am told, if we projected it out, we could leap from about \$300 million in subsidies by the federal and provincial governments for housing in this province alone, to something close to \$1 billion. Again, I say that in a time of constraint logic has to prevail.

This government, in conjunction with the federal government, has continued to observe the need for socially assisted housing. We have moved into the position of being the second largest landlord in North America, next to the



city of New York. More than 90,000 units are being supported in this province, I repeat, with more than 250,000 citizens of Ontario being housed in them.

I want to correct one of the remarks I think I made to the member for Windsor-Riverside, because I had misinterpreted him when he talked about the emotionally handicapped. I am sorry I misinterpreted him. I was referring to the fact that we had expanded our policy to include, now, the opportunity for housing mentally retarded individuals within the 61 portfolios in the province, provided there is support from the local association for the mentally retarded and the individual is able to live on his or her own.

I do not believe emergency housing falls within the mandate of this ministry. Indeed, in discussions with federal people, I find they are not even giving consideration to putting it within the mandate of the Ministry of Housing or in the housing portfolio in any province in Canada. When I spoke of the Salvation Army providing this type of accommodation, I said very clearly in a complimentary way that they had been able to serve extremely well in the emergency housing areas of the various communities.

I think some members would like to get into income verification and using net income rather than gross income. We have worked on the basis of gross income, because that has been the position in our negotiations with our senior partner. Just so there is no misunderstanding, neither Ontario nor any other province has the right to singularly change the policy or the contract unless that province is prepared to pick up the entire difference in cost. The federal government has made it clear that it is not prepared to entertain it.

**Mr. Philip:** Have you proposed it to them?

**Hon. Mr. Bennett:** No, sir, we have not proposed it to them, because there are so many other ways—I see the clock is moving on—and there are so many deductions. We believe the fairest treatment for all of our tenants in Ontario is to work on a percentage of gross income and not to get into deductions. There is such a great variance in types of deductions in various payrolls that it would be virtually impossible to try to put a common denominator on it to equalize it for all of our tenants to make sure each and every one is being treated fairly; so we have not proposed it.

The second reason is that to do it could also encourage a fairly substantial further payment by the people of Ontario for maintaining public housing in this province.

I am sorry I have not had more time to go into the report, but I think this government is to be complimented on the aggressive pattern it has taken to develop such a large public housing portfolio as well as for keeping the rent supplement program and participating in public non-profit, private nonprofit and co-op housing.

We are now supporting the private nonprofit organizations and the co-ops and subsidizing rent supplement units within those programs, which is a new policy we introduced back in February of this year. Overall, the government has done an admirable job in serving the less fortunate in housing in this province.

**10:35 p.m.**

The House divided on Mr. Philip's motion, which was negatived on the following vote:

**Ayes**

Breaugh, Bryden, Cassidy, Charlton, Cooke, Copps, Edighoffer, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, MacDonald, Mackenzie, Mancini, McGuigan, Miller, G. I., Newman, Peterson, Philip, Reed, J. A., Renwick, Riddell, Ruston, Spensieri, Stokes, Sweeney, Van Horne, Wildman, Worton.

**Nays**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, Miller, F. S., Mitchell;

Norton, Pollock, Pope, Ramsay, Robinson, Rotenberg, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Ayes 31; nays 64.

**Ms. Copps:** Mr. Speaker, on a point of personal privilege—

**Mr. Speaker:** Identify your point of privilege.

**Ms. Copps:** In view of the illustrated arrogance of this government this afternoon and tonight, I wish to pass over to the Premier—

**Mr. Speaker:** That is not a point of privilege. Order. Your privileges have not been abused in any way.

The House adjourned at 10:40 p.m.

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Cassidy, M. (Ottawa Centre NDP)  
Cooke, D. S. (Windsor-Riverside NDP)  
Copps, S. M. (Hamilton Centre L)  
Cureatz, S.L.; Deputy Speaker (Durham East PC)  
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(York Mills PC)







No. 26

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**  
Friday, May 22, 1981

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Friday, May 22, 1981

The House met at 10:02 a.m.

Prayers.

## STATEMENT BY THE MINISTRY

### HOG STABILIZATION PAYMENTS

**Hon. Mr. Henderson:** Mr. Speaker, I wish to report to this House on a decision announced by the federal Minister of Agriculture, Eugene Whelan, yesterday.

This decision attacks the very foundations of farm income stabilization legislation in this country and it is evidence of the increasingly callous attitude being taken in Ottawa towards our nation's farmers.

Yesterday Mr. Whelan announced that Ontario's hog stabilization payments would be deducted from the federal hog payment. He made this announcement in the name of leadership and equity. I quote what Mr. Whelan said, "The federal government must show leadership in providing an equitable national level of assistance."

This announcement has very serious implications.

Under federal stabilization law, the federal plans guarantee producers of nine commodities 90 per cent of the five-year average market price, indexed for changes in the cash cost of production. This plan is inadequate. It has always been inadequate. Mr. Whelan himself acknowledged this back in 1978 when he introduced the idea of a plan that would pay 100 per cent of gross margin, with financial participation by producers.

Ontario agreed in principle with that plan. We knew that the 90 per cent plan was inadequate. Ontario, together with most other provinces, had introduced its own stabilization plans even before 1978 to make up for those inadequacies.

However, the 100 per cent plan was not pursued by the federal government and the provinces were left to carry on with their own additional programs. Now, with one casual wave of his hand, Mr. Whelan has swept aside all our attempts to make up for the inadequacies of his plan, and he has chosen to do it in a way that is unjust, inequitable and downright irrational.

**Mr. Smith:** Nonrational?

**Hon. Mr. Henderson:** Irrational. You know full well what it is, Mr. Speaker.

**Mr. Speaker:** Order.

**Hon. Mr. Henderson:** The announcement says that the provincial payments for market hogs will be deducted from the federal payments. Ontario does not make payments on market hogs. We make payments on weaners through a sow-weaner plan. Our plan is very similar to Quebec's, but Quebec's provincial payments will not be deducted from the federal payments. Can anybody in this House tell me what makes an Ontario weaner a market hog, while in Quebec a weaner remains a weaner?

On top of all that, the federal government plans to deduct the provincial payment from sums paid out to some farmers who do not receive provincial payments in the first place. Those farmers are the straight hog feeders. The federal government's plan pays producers of market hogs; ours pays sow-weaner operators. Can anyone in this House tell me why a market hog producer should have his federal payment reduced by the amount Ontario will pay the sow-weaner operator? There is no logic in this, no justice and no simple common sense. My officials have asked Agriculture Canada for clarification of these points.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Henderson:** It is really hurting them over there, Mr. Speaker. They cannot take it.

Mr. Whelan's plan is going to pay \$8.96 per hog for the period between April 1, 1980, and March 31, 1981. Various administrative improvements should mean that the cumbersome federal plan will pay faster this time than in the past, but I submit that faster payment of smaller sums is not what stabilization is all about.

Stabilization is intended to protect the producer from violent price swings and rising production costs. The federal plan is not doing that. In the case of beef, Mr. Whelan himself recently said that every beef feedlot in the country is in a loss situation. Nevertheless, the federal beef plan is not making a payout.



I have asked my legal advisers to look into this situation. It has always been my understanding that federal legislation called for a 90 per cent payment, and I cannot see how Mr. Whelan can simply wave that aside. This action endangers the whole fabric of stabilization plans right across the country. Any one of them could be just as casually wiped out if Mr. Whelan decides to practice his idea of leadership on them.

## ORAL QUESTIONS

### TAX INCREASES

**Mr. Smith:** Mr. Speaker, I would like to direct a question to the Premier. Is the Premier aware of a column by Eric Dowd, which I understand is appearing today in a number of newspapers, which says that the Premier should be accused of having won his election on false pretences inasmuch as he had promised in the course of the election campaign to avoid any tax increases rather than to implement tax increases? Is the Premier aware of that, and is it a fact that the Premier promised to avoid any tax increases when he sought the support of the electorate of Ontario?

**Hon. Mr. Davis:** Mr. Speaker, I have not had the pleasure of reading that distinguished journalist's column, nor have I heard any rumours he was writing a column. I really cannot answer the question until I see the column. However, I have tried to recall what might have been said during the course of the campaign. I must say I was asked about taxes on very few occasions during the campaign.

10:10 a.m.

**Mr. Eakins:** It certainly wasn't on television.

**Hon. Mr. Davis:** Of course it was not on television, because I was not asked about it, nor did the member's leader talk about it much even though he had a \$2 billion methanol program he was going to finance out of—what?

**Mr. Smith:** Darlington.

**Hon. Mr. Davis:** Oh, out of Darlington generating station. With great respect, the government of Ontario does not finance Darlington, so that would not be a source of revenue for him. If my recollection is correct, he was promising the Metropolitan Toronto School Board 80 per cent of its costs.

I think I was asked whether the sales tax reductions would be extended. I think I made it clear that in my view I was doubtful about it, but I do not recall saying on any particular occasion that taxes would never be increased. It is

obvious to everybody that the government must have revenues to finance those programs which it is obliged to finance.

I do not know whether Mr. Dowd has some quote or other from during the course of the campaign. I think I can honestly say that during the campaign neither the Treasurer (Mr. F. S. Miller) nor I really had our minds fixed on what the next budget might be and that I personally was not contemplating what the tax policies would be. I want to make it abundantly clear that I spent 44 days talking to many reporters and, unlike the Leader of the Opposition, I was never reluctant to discuss any issues with them. I did not focus my attention on any prewritten question which the—

**Mr. Van Horne:** How are you at debating?

**Hon. Mr. Davis:** I have to tell you, I was always available, always prepared to answer the questions. I was not one who said "I will only answer questions on this particular issue" as I went from place to place campaigning throughout this province. I really am being frank. I do not recall, because this matter was rarely raised during the course of the campaign.

**Mr. Smith:** May I assist the Premier with his memory by calling to mind for him and the people of Ontario the statement he made at his press conference here at Queen's Park when he called the election? Among many other things he said, "We seek a mandate to combat inflation through smaller and more efficient government, avoiding tax increases and supporting those on fixed incomes," and so on.

Since the Premier's memory has now been refreshed, does he not feel that in going to the people of Ontario a few short months ago seeking a mandate on the promise of avoiding tax increases, he has now betrayed the trust put in him by the people of Ontario by imposing one of the most severe tax increases in living memory?

**Hon. Mr. Davis:** Because I am much older than the Leader of the Opposition, my memory perhaps goes back a few years longer than his. While he tries to suggest this is the most severe tax increase in living memory, the reality is that is not factually correct. It is not the most severe tax increase. In fact, as one assesses the budget carefully, the area of tax increase that has not happened as recently is the income tax, which the New Democrats argue is a progressive form of taxation.

The Leader of the Opposition argues because we have moved, like just about every other

province of Canada, to an ad valorem tax with respect to gasoline, though not in terms of feed stock or fuel oil, and because we have moved to an ad valorem tax on tobacco.

I suggest to the Leader of the Opposition that he might review the budgets of this province going back a number of years. He will find there have been far more significant tax increases imposed upon the people of this province.

**Mr. Foulds:** But they've been rolled back—your energy tax, your OHIP fee increase.

**Mr. Smith:** I cannot remember a \$600-million increase.

**Hon. Mr. Davis:** With great respect, I think if the member would go back to the tax measures and put them in today's dollars—which is what one must do—he would find without any question that there have been more significant tax increases.

**Mr. Ruston:** You rely on inflation.

**Hon. Mr. Davis:** Listen, we are living with inflation. In my view it is one of the very significant problems. I would say this government has done more to deal with that issue than any other government in Canada, almost without exception.

I recall what I said on the day the writ was issued—it was just about a year after the Leader of the Opposition had said to the people of this province, "Heavens, we should go to the polls tomorrow." Does the Leader of the Opposition remember that? That was the day after he had been out campaigning so hard for the federal leader he had dissociated himself from events of some eight months before, and thought what a great statesman he was and as a result wanted an election.

I would say that as a government we have been very successful in avoiding tax increases. I would say that the Treasurer, in his current budget, has avoided certain tax increases. The member did not see the sales tax go up, which has a very significant impact on the purchasing power of people, and I would say we have had some measure of success.

**Mr. Cassidy:** Supplementary, Mr. Speaker: This session of the Legislature reminds me very much of the one-week session in 1971 just after the government was re-elected with a majority. The same kind of arrogance is being displayed by the government today as when it had a majority at that time.

**Mr. Speaker:** Question?

**Mr. Cassidy:** I would ask the Premier, is he

not ashamed of the fact that just two months after an election when the government promised to "keep the promise" he has come to the Legislature and, far from keeping the promise of avoiding tax increases, he and his government have, in fact, increased taxes on ordinary people across the province by \$600 million this year and by an even greater amount in a full year? Has the Premier no shame at this hypocrisy?

**Hon. Mr. Davis:** Mr. Speaker, I do not want to be provocative this morning and I will not say that when it comes to hypocrisy I have a lot to learn from the leader of the New Democratic Party. I will not say that. It happens to be true, but it is Friday morning and I do not want to be provocative on a Friday morning.

I think if he reviews the campaign very carefully, if he analyses the material that was used, if he looks again at those excellent commercials, he will maybe begin to understand: (a) why he lost so badly; and (b) what we meant by keeping the promise.

**Mr. Smith:** We understand now.

**Hon. Mr. Davis:** The promise was not promised by this leader or this government. The promise was the promise of the province, of its people and of its future. I have to tell the member, I am one of those who is immensely optimistic about the capacity of the people of this province to deal with the issues that confront us.

Interjections.

**Mr. Speaker:** Order. Supplementary, Mr. Peterson.

**Mr. Peterson:** The phrase is not "Davis can do it." The phrase is "Davis can do it to you."

**Mr. Speaker:** Do you have a question, Mr. Peterson?

**Mr. Peterson:** Mr. Speaker, I want to ask the Premier this: Why would the Premier, in his government's deliberations on the budget, when he is extracting such a high price out of the public hide in terms of tax increases, not work far harder on the expenditure side of the budget? I am not talking about health care and cutting back expenditures there, I am talking about some of the silly expenditures that the government makes with no return.

I will give the Premier some examples of the kinds of expenditures that could have been cut to generate some revenue: selling off the land assemblies, the silly expenditures on advertising, on public opinion polls, on pulp and paper grants, and removal of sales tax for a limited



period of time, which produces no new consumption. Why would the Premier not have insisted that the government be far more ruthless with government expenditures, particularly the silly ones, so he would not have had to take it out of the public hide?

**Hon. Mr. Davis:** Mr. Speaker, I think in fairness there were probably half a dozen questions. I will try to deal with the half a dozen questions. I would just point out to the Leader of the Opposition, in his interruption when I was explaining what keeping the promise meant, that was the real focus of the New Democratic leader's question that I was dealing with. I was not dealing with irrelevant material.

**10:20 a.m.**

I will try to answer the honourable member's questions. I recall very vividly a by-election where the member and, to a much greater extent, his leader, went into that great community and talked about deficits. I have listened to the member talk about deficits in this House and how they should be reduced. I have listened to him and his colleagues in estimate after estimate—

Interjections.

**Hon. Mr. Davis:** Listen, the member should not interrupt for once. I am answering his questions.

**Mr. Smith:** He asked you about silly spending.

**Mr. Speaker:** Order. Order. I caution the Leader of the Opposition for the last time. Mr. Peterson asked a rather lengthy question. Surely the Premier should be given the opportunity of replying in kind.

**Mr. MacDonald:** A point of order, Mr. Speaker: You are imposing restrictions on the opposition. If the Premier is going to be permitted to roam all around the map in political confrontations that are irrelevant to the question, you cannot impose restrictions on this side of the House.

**Mr. Speaker:** That is an interesting observation, but I am not imposing restrictions on anybody. If I were imposing restrictions, I might very well have restricted the honourable member in the length of his question. I did not. I am not, as I said yesterday, being unfair to either side, and I will continue to be fair to all the members of this House regardless of their political affiliation. I say to you and to all members, including the Leader of the Opposition, I will not be intimidated.

**Mr. Smith:** On a point of order, Mr. Speaker.

**Mr. Speaker:** Will you identify your point of order?

**Mr. Smith:** My point of order is that the debate in this House and the questions and answers in this House are supposed to be reasonably responsive to the topic at hand. A question has been asked, which question is very clear although lengthy because the honourable member had a long list of suggestions. The question was, why would the Premier raise taxes when he could have managed by cutting out some silly spending, which the honourable member listed. It may not have been silly, but the honourable member thought it was, and he listed it.

In answer to that the Premier started to recall, to ramble around, to discuss by-elections and whether we spoke of deficits in the past and things that may have been heard politically from time to time. The simple answer is to be responsive to the question that was asked. That is all we are asking.

**Mr. Speaker:** If that is all the Leader of the Opposition is asking, I would ask all the members to take it into consideration and to ask simple and direct questions.

**Hon. Mr. Davis:** Speaking to the point of order, Mr. Speaker, I just want to make it abundantly clear from my perspective that I think in the minds of some members there are two sets of rules. The opposition can ask questions that contain either a sarcastic or political overtone in their preamble and they expect us not to react.

I say to the Leader of the Opposition, if he asks a nonpartisan, nonprovocative question he will get that sort of answer. I am not an unreasonable person, but I do not think the members opposite can lead off, as the leader of the New Democratic Party did, by saying I am a hypocrite and not expect some modest, reasoned, relevant response. If we are going to deal with question period in a fair-minded fashion, it has to be understood that one cannot ask a question with a political preamble to it and not expect some modest political response. That is only fair.

Now, trying to deal with the specifics of what I think were five questions, with great respect to the member for London Centre, he said, "Why did you not reduce expenditures?" He included in his list of those expenditures we might reduce, not an expenditure decrease but the question of a tax reduction. That is not an expenditure decrease. The tax reduction was developed last fall. The member had every opportunity—

**Mr. Peterson:** It is called a tax expenditure.

**Hon. Mr. Davis:** The member raised it and I am going to reply to it. Do not tell me it was not part of the question.

The member asked whether last fall the Treasurer should have introduced a short-term stimulus program by way of reduction of sales tax on specific commodities. He had every opportunity to persuade others to vote against that. He had every opportunity to travel this province and talk to the automotive industry, say to the dealers in trucks, say to the white goods industry, say to the furniture industry, that the Liberal Party was unalterably opposed to that tax reduction.

I keep an eye on the press. Neither he nor his leader went to furniture factory after furniture factory, he did not go to General Motors, Chrysler or Ford truck divisions, and say that what the government of Ontario was doing was bad or was wrong.

**Mr. Peterson:** Yes I did.

**Hon. Mr. Davis:** If the member can show me where he did I will apologize within a tenth of a second.

The member then used the example of the government's program with respect to support of the pulp and paper industry. I do not quarrel with his point of view. He has expressed it. At least he has been consistent. But he did not go to the north and express it during the campaign with great regularity, and the reality is we differ on that point of view.

This government will say, without any fear of being intimidated by the member's great intellect or anyone else's, that the decision was made in the interests of the people of northern Ontario and in the interest of the provincial economy. The reality is that with the hundreds of millions of dollars invested by the pulp and paper industry because of the incentive given from this government—and incidentally the government of Canada—it has proven to be economically the right thing to do. We can differ on that. I do not quarrel with that. I think that is fair. That is an expenditure the member says we might have eliminated. No question. But we think it was right and we think it will pay economic dividends. That is item two of three.

I think the member is then going to suggest that we should not have assembled land. Maybe I can take the member back into history, perhaps before he was a member of the House. I look to the member for York South (Mr. MacDonald). We all have 20-20 hindsight whether we are wearing our regular or contact lenses. One can always bring into question 10 years

later whether a particular geographic location was the right one to assemble for housing or industrial development. I do not quarrel with that. He can raise that as an issue any time he likes. Once again that is a judgement of government.

But I would ask the member for London Centre to go back into the early 1970s when we debated the whole principle of land banking. He may find that a few members of the Liberal Party of Ontario were urging this government—there is no question the New Democrats were doing this—to move even more enthusiastically into the whole concept of land banking.

With what has been happening over the past 10 to 15 years in land values, when it is all sorted out, there is very little doubt in the government's mind that the investment that has been made will be returned to the people of this province. There is no doubt whatsoever.

**Mr. Riddell:** Is this a speech, Mr. Speaker?

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** The member for London Centre has given me five specific areas.

**Mr. Smith:** We asked you whether they are justified, that is all. We do not need a lecture on each one.

**Hon. Mr. Davis:** I just want to explain it. I thought you wanted to know all of this information.

**Mr. Speaker:** The Premier is replying in response to the questions which were asked. The Premier will continue.

**Mr. Riddell:** How much time have we spent on the first question?

**Hon. Mr. Davis:** I would just give one illustration. I ask the member to take a few minutes—I know it is not the happiest hunting ground for the Liberal Party—to visit Scarborough. Go and ask the people of Malvern whether they think that was a justifiable investment by the people of this province in order to provide housing accommodation. That is just one example.

**Mr. Peterson:** What about Townsend?

**Hon. Mr. Davis:** I just have to tell the member that Townsend will be over a period of time.

**10:30 a.m.**

We have dealt with pulp and paper, the reduction in sales tax, which was totally irrelevant to the general thrust of the member's question, and land assembly. What was the other one?

**Mr. Peterson:** Advertising.



**Hon. Mr. Davis:** Advertising. The member questions the economics of government having a public information program for the people of this province. I simply have to say it is a policy pursued by just about every government I know. The opposition parties can quarrel about it, but that is the reality.

In terms of its impact, for example, take the energy conservation advertising. I was even asked by a member of the Liberal Party, "In the light of the fact that it is having effect"—I think those were his own words—"why is Ontario Hydro continuing to advertise the need for conservation when we have a surplus of energy?" I assume he felt it had some impact.

Surely communication to the people of this province in terms of buying Ontario-made agricultural products is important. The farm producers appreciate those programs. The member should ask his colleagues whether they want to see that sort of advertising or public information eliminated. The farmers I know—and I know several—feel that is an important program to acquaint the people of Ontario with the availability of Ontario-produced agricultural goods so they can buy them. I think that is a public responsibility and one which the farm community generally supports.

**Mr. Foulds:** Point of order, Mr. Speaker: Would you take into consideration that a four minute and 25 second answer to a supplementary question is a mite excessive?

**Mr. Speaker:** I would draw to the members' attention that there has been a lot of discussion this morning that has been completely irrelevant to the question period. This is your question period. Obviously, you may use the time as you see fit, but if we are going to have a five or six-part question asked, to try to answer it with a simple "yes" or "no" is almost an impossibility. If people will get up and ask questions of a specific nature then they can expect a specific answer.

**Mr. Stokes:** Those are Order Paper questions.

**Mr. Speaker:** You are absolutely right, I do not quarrel with that, but in actual fact it came forward as a supplementary. The question period will continue.

**Mr. Smith:** One of the simple minds on the other side is asking that the questions be made sufficiently simple for him to understand them.

**Mr. Eaton:** Nasty remark.

**Mr. Speaker:** Order. This is an example of the

type of conduct that brings this whole assembly into disrespect in the eyes of the people of this province. There is no need for that.

#### PRIVATE MEMBERS' BILLS

**Mr. Smith:** I would like to direct a question to the Premier. Given that the Premier took, for him, an unprecedented step in voting against the private member's bill that would have supplied certain devices under OHIP to those patients who had mastectomies, can the Premier explain to the people of Ontario why he felt so strongly about that particular bill that he actually voted against first reading, so that the bill was not even permitted to be presented?

**Hon. Mr. Davis:** Mr. Speaker, once again I will try to be nonprovocative. I sat here yesterday and watched both opposition parties. I sat here Tuesday evening and I watched both opposition parties. I know the traditions of this House. No one is trying to limit the debate on controversial tax measures, least of all the government, but the Leader of the Opposition knows full well the traditions of the House have been for the passage of these bills on first reading, because second reading provides a total opportunity for full and lengthy debate, if necessary, on those particular measures.

I sat here and listened to the bells ring on the first bill; the members were in the House. I heard the second bill being called; I then heard the Leader of the Opposition say, "Ring the bells again." It was obviously a deliberate attempt on his part to disrupt the traditional and orderly workings of this House.

Yesterday afternoon, in what has been designated for private members' debate—we had been tipped off in advance; there are no secrets in the Liberal caucus—I sat here and watched the Leader of the Opposition direct his people to vote against a bill that he himself and the member for Kitchener (Mr. Breithaupt) had never read. They had no understanding of what was in it. Once again we went through a process where on first reading the orderly workings of this House were delayed by an hour to an hour and a half.

I think it is fair to state that the members opposite on Tuesday evening and yesterday afternoon deliberately tried to do away with the traditions and the orderly work of this House—at the very last stages, and not when private members' hour was called. I point out that distinction to the Leader of the Opposition.

There is no question that I have not participated in debate in the private members' hour; I



felt that I should not. But this was not in the private members' hour; it was the introduction of a private member's bill, which I think one can argue, in terms of the Camp commission—which, incidentally, I support—contravened the main thrust of that report, which suggested that private members' bills and resolutions should not have a financial impact on government policy. One can argue that.

It was introduced by the member. There is no question that this government, this side of the House, reacted so as to demonstrate that if the members opposite wish to act in this disruptive fashion, if they want to depart from the traditions, then we too have an opportunity to do so. I say that to the Leader of the Opposition, but I say it with regret.

I think the private members' hour is important. I think private members should have the right to introduce bills as long as they come within that parameter.

I can give this undertaking to the Leader of the Opposition: If we sense that we are all going to endeavour to co-operate to a somewhat greater extent, as perhaps we will as days go by from March 19, without limiting the right to oppose—no one is objecting to that at all, but I think we can do it in an intelligent, perhaps less emotional sort of environment and in a way that will bring a greater measure of respect to this Legislature—if that happens, there will be no opposition to a private member's bill on first reading.

However, I do think the House leaders should have a discussion as to what the general understanding is, not about the specifics of the content of a resolution or a bill but to ensure that it does not put all of us in the position where we are debating a money bill or a bill that has significant financial connotations.

**Mr. MacDonald:** Mr. Speaker, a point of order: If a bill is brought in and it violates the rules of the House because it has financial implications, is it not your right and duty to say that the bill is out of order and not to have your rights and duties usurped by the government by voting it down on first reading?

**Mr. Speaker:** It is indeed; and, as you know, I have the matter under consideration. I did not see the bill before its introduction, of course. I have read it—

**Mr. MacDonald:** Do you not normally see bills before they come in?

**Mr. Speaker:** No. How can I? It is the first introduction. That is the whole point: introduction of bills. Surely that is basic.

That, I think, indicates part of the problem of this House. There is a lack of understanding of procedure, obviously. No, I do not get prior information, nor do I see the bills. As I said, the matter is under consideration. I hope I will have a ruling on Monday for the House, and we will deal with the matter then.

**Mr. MacDonald:** May I pursue the point of order? If it is under consideration on this bill, how are we going to avoid a repetition of this kind of situation in the future, where your rights and obligations, before you have a chance to exercise them, are usurped by the government by voting it down on first reading?

**10:40 a.m.**

**Mr. Speaker:** With all respect, I think that my rights or the rights of this House are not being usurped by anybody. What has happened is that the bill was voted down on first reading, and it was just voted down on first reading. That does not mean it cannot be introduced. As I said before, I have the matter under consideration. I will have a ruling for you on Monday.

It may be advantageous to have prior discussions among the House leaders to come to some agreement or conclusion before bills of this type are introduced. I leave that to the members' good judgement, but I do not have any way of knowing what is in a bill beforehand.

The question period will continue.

**Mr. Ruston:** On a point of privilege, Mr. Speaker: I want to make a correction with regard to the Premier's statement about yesterday's orders and so forth.

The House leaders were aware that there were going to be votes on first readings. So for the Premier to get up here and say there was a leak in the Liberal caucus is absolutely ridiculous, and he ought to withdraw the statement. We were all aware of it, and so was his House leader.

**Hon. Mr. Henderson:** Your conscience is bothering you.

**Mr. Speaker:** Mr. Smith, will you continue, please?

**Mr. Cunningham:** Just like your buddies in Ottawa.

**Mr. Speaker:** Order. Show some respect for your leader.

**Mr. Smith:** Mr. Speaker, since the Premier must surely be aware that the very same bill was presented last year and was not ruled out of order on any financial basis, and since the Premier has basically said in his answer today



that he and his majority voted against this bill to aid mastectomy patients basically to get even with the opposition for having voted against the budgetary measures of this government on first reading, does the Premier feel that is a responsible and proper way for a government in Ontario to behave, to try to get even by blocking a bill that might have aided the victims of mastectomies?

Will the Premier at least assure us that now his government will introduce a bill, as suggested by the member for Rainy River (Mr. T. P. Reid) and the member for Etobicoke (Mr. Philip), to assist under OHIP with prosthetic and orthotic devices, as well as with devices for mastectomy patients?

**Hon. Mr. Davis:** Mr. Speaker, I think the Leader of the Opposition is endeavouring to put this government in the position of being opposed to something that, in an emotional sense, a lot of members would support. The way he phrased his question was not lost upon me. Can I just point out to him, and I will review it once again, that we sat here and witnessed what I think was childish, infantile behaviour. He is talking about the traditions and the practices of this House. That was what the issue was yesterday afternoon.

**Mr. Smith:** We are talking about the answers we get from the Premier of Ontario. Do not stand there and lecture me. These are the worst answers ever received from a Premier of Ontario. We are not going to accept those answers.

**Mr. Speaker:** Quite obviously. All parties in this House are using the standing orders to their advantage to disrupt the operation of the House. In actual fact, they are only penalizing themselves.

**Mr. Smith:** There is no disruption.

**Some hon. members:** Oh, oh!

**Mr. Speaker:** Order. The Leader of the Opposition will please contain himself and allow the Premier—

**Mr. Smith:** We are entitled to know. Voting is not a disruption.

**Mr. Speaker:** I did not say that.

**Mr. Smith:** Well, you said we disrupt the House.

**Mr. Speaker:** Order. You will allow the Premier to continue to answer your question.

**Hon. Mr. Davis:** As I was saying, Mr. Speaker, we sat here Tuesday night—the Leader of the Opposition asked a supplementary, and the supplementary was exactly the same as the

initial question; so the answer to the supplementary is going to be basically what I said on the main question.

**Mr. Smith:** It was not. I asked if you were going to bring in a bill.

**Hon. Mr. Davis:** The Leader of the Opposition knows full well that this government is prepared to discuss issues of that nature as long as they do not have a significant financial implication. That has to become government policy. That is how the—

**Ms. Copps:** When did it become government policy? Answer the question.

**Hon. Mr. Davis:** Please do not interrupt. I do not want to get into—

**Mr. Smith:** Will you introduce a bill?

**Mr. Speaker:** Order, please. A question has been asked. This is your question period, as I mentioned before. It is your assembly, to represent your constituents. I am sure you have not brought any great pride or honour to any of those people by your behaviour during the past few days. Please allow the Premier to reply to the question that was asked.

**Hon. Mr. Davis:** Mr. Speaker, the Leader of the Opposition is asking a supplementary question or making a statement about a mandate to avoid taxes while still in his seat. The Speaker is making a genuine effort, and I will try to restrain myself. The honourable member wants to be provocative because he has not gotten over March 19.

Interjections.

**Hon. Mr. Davis:** It takes a big man to accept defeat. To answer directly the question about what bills the government will introduce and what policy matters it will deal with, obviously that will be revealed to the House when it is done.

**Mr. Foulds:** Supplementary, Mr. Speaker: Although it is difficult in view of the Premier's answer, I will try to ask the supplementary question in as nonprovocative a way as I can.

Can the Premier not be clear? Can he tell this House whether it was in an act of vindictiveness that he took the initiative in blocking my colleague's bill when he did not know the contents of that bill? It was fundamentally different from the action the opposition took because, as a result of the budget, we did know the content of the bills the Minister of Revenue (Mr. Ashe) and the Treasurer (Mr. F. S. Miller) were introducing.

**Hon. Mr. Davis:** Mr. Speaker, I can say this with total objectivity, in all humility and with all modesty. One of the least vindictive persons I know happens to be the member for Brampton. Nothing I do in this House is done with any vindictive motivation whatsoever.

**Mr. Mackenzie:** On a point of privilege, Mr. Speaker: In the five and a half years I have been in this House, I have never felt as strongly that my privileges as a private member of this House were clearly threatened as by what happened yesterday.

As my colleague has said, our opposition was not that we did not know it was there. The bills were on the floor. The budget was on the floor, and that is what we were debating. What this government did was block a private member's bill. It did not even allow us to put the bill on the floor. That is a threat to the right of every member of this House. That is what is at stake here. It is not what is in the bill. It is the principle involved as to whether private members of this House have rights or not.

**Mr. Speaker:** Nobody's privileges have been abused. The procedures under the standing orders of this House were followed.

Interjections.

**Mr. Speaker:** Order. The bill was introduced for first reading in the normal way. It was accepted. It was put to a vote and it was defeated. There is nothing out of order. Nobody's privileges have been abused.

**Mr. Mackenzie:** None of them even knew what was in the bill.

**Mr. Speaker:** Did the member know?

**Mr. Renwick:** Mr. Speaker, if I may speak to the point that was made by my colleague the member for Port Arthur (Mr. Foulds) and by my colleague the member for Hamilton East (Mr. Mackenzie), it is one that you must take under advisement.

I am simply saying that the rules of this House make a very clear distinction between private members' public bills, private members' public business, and government bills. What my colleague is trying to say is that if the government—and it was the government that voted against the introduction of the bill of my colleague the member for Etobicoke (Mr. Philip)—were to persist in that course, it would be a total abnegation of the rights of private members to get any business as public business on the floor of this House by way of a private member's bill.

Will you please take the matter under advise-

ment? It is much more serious than the way in which it has been treated so far in the House this morning.

**Mr. Speaker:** Thank you, Mr. Renwick. I will be pleased to take the matter under consideration.

10:50 a.m.

**Hon. Mr. Davis:** Mr. Speaker, on the point of order: I think the House leaders should have a discussion, because I am not sure that there are those many distinctions between private member's public bills and government bills as it relates to the standing orders. I am not going to comment on that. But I think it should be clearly understood that this government did not vote against the bill. That bill can be reintroduced. We voted against the introduction of the bill. There is, as I understand the rules of this House, a very distinct difference.

The Speaker called for those who were in favour of introduction of the bill, not whether the bill should receive first reading. That is a very significant distinction because, as I understand the rules, the bill may be reintroduced. I could be wrong, but that is my understanding of the procedures of this House.

**Mr. Speaker:** That was my initial understanding as well.

**Mr. Cassidy:** Mr. Speaker, I have left the debate on this issue to the private members, but I wanted to raise it with the Speaker directly. I refrained from raising it with the Premier until I had to chance to speak in the question period, because I too want to express a great deal of concern at what could be a very dangerous precedent. The Premier himself appeared embarrassed at the actions of his back-benchers in initially deciding to oppose the introduction of that bill.

In view of the very destructive consequences in terms of the parliamentary traditions, which include respect for the rights of the minorities as well as the majority, can we have an assurance from the Premier that, since the government through its majority has got the right to get its business on the Order Paper even if it is opposed on first reading, the private members of this House from all parties likewise will have the right to have their business put on the Order Paper and that never again will the government use its majority to prevent a private member from putting private members' business on the Order Paper by means of the introduction of a bill?



**Hon. Mr. Davis:** Mr. Speaker, just so that the public who is watching this will not get the impression that the New Democratic Party is always virtuous in these matters—

**Mr. MacDonald:** There was no preamble to the question.

**Hon. Mr. Davis:** Listen. There was a preamble to the question, and I say to the leader of the New Democratic Party that in any majority situation the majority has an obligation to respect the rights of any minority representation. There is no question about that. But I also say to the leader of the New Democratic Party that the minority has some obligation to respect the rights of the majority in this House as well and that we have a responsibility to conduct the affairs of the government.

I do not think he demonstrated that respect on Tuesday evening or on Thursday afternoon. I was not embarrassed by my private members yesterday afternoon at all. I felt badly about the way the whole thing developed yesterday afternoon. I sat here in some puzzlement as to what was happening, just as I sat here on opening day and listened to the leader of the New Democratic Party embarrass his colleagues, particularly the member for Lake Nipigon (Mr. Stokes), in a way that still I have not forgotten, because I think it was very bad business.

**Mr. Cassidy:** Is the Premier then saying, and he said it first to the Leader of the Opposition and now he has said it here, that unless the members of the opposition parties co-operate with the majority in a way that the majority deems to be acceptable, that it is the government's intention to threaten to gag the right of private members to put business on the Order Paper of this Legislature?

**Hon. Mr. Davis:** I chose my words very carefully, and no objective person could get that impression. I must remind the leader of the New Democratic Party that it was the Premier of this province who entertained the idea of having the Camp commission. I was the most supportive one of having that commission. I received some modest criticisms about it from people both inside the House and outside.

If the leader of the New Democratic Party were to go back in the history of this House, he would find it was the Premier of this province who pressed most aggressively for the introduction of the private members' hour in the way that was recommended by the Camp commission. I defy the member to find in Hansard anyone who spoke in public or anywhere more

aggressively about the need for the private members to have this opportunity. This government and this Premier have no intention of varying from that basic principle.

I remind the leader of the New Democratic Party that we all have a responsibility in this House—not just the government but all members. I am making it abundantly clear that we have no intention of derogating in any way from the private members' rights and privileges as long as there is an understanding—

**Some hon. members:** Oh, oh!

**Hon. Mr. Davis:** Let me finish. I am trying to be nonprovocative.

**Mr. Smith:** You are a good boy.

**Hon. Mr. Davis:** There are some Fridays when the Leader of the Opposition really should—

**Hon. Miss Stephenson:** Stay home.

**Mr. Riddell:** You were answering the question over here, not over there.

**Hon. Mr. Davis:** Yes, I am answering the question. I think it would be beneficial to the workings of this House if the House leaders were to sit down and have some discussion. I mentioned this a year ago. I sensed the private members' bills and some resolutions were getting into an area that really should be government policy and opportunities for debate in the throne speech and budget debates.

**Mr. Foulds:** That is the Speaker's decision; that is not the House leaders' decision.

**Hon. Mr. Davis:** All right. With great respect, the Speaker pointed out that he does not see the private bills. I am only concerned about moving in a direction where private members' bills and the proper debate that follows could be prejudiced because they are primarily money or financial bills. I think the House leaders could help us all by having some discussions on that issue.

**Mr. Riddell:** On a point of order, Mr. Speaker: If normal procedures had been followed yesterday, we would have debated a second private member's bill introduced by the member for Wellington-Dufferin-Peel (Mr. J.M. Johnson) pertaining to more government funding for tile drainage programs. Was it the intention of the government to block that bill because it would mean more finances?

**Mr. Speaker:** For the information of all members of the House the item the member refers to was not a bill; it was a resolution. There is a difference.

A new question, Mr. Cassidy.

**Mr. Cassidy:** Mr. Speaker, if I could return to this matter with the Premier, and seeking not to be provocative, I understand the Premier is saying he has been a strong supporter of the private members' procedure in the past, and I acknowledge that. However, he seems to be saying the government today believes that, if in their view there is not an appropriate amount of co-operation coming forward, there is no longer going to be support for the rights of the private members. In fact, there is a thread there which, if carried out to its full extent, would mean that no opposition member could put a bill on the Order Paper to have it debated.

I ask once again, does the Premier not recognize that if the rights of the private members are to be respected, never again should there be that opposition on first reading that prevents a private member's bill from getting on the Order Paper? Will he accept that principle and assure the House that the government will follow it?

**Hon. Mr. Davis:** Mr. Speaker, I will just repeat what I said—

**Mr. Foulds:** Don't repeat what you said. Just answer the question.

**Hon. Mr. Davis:** The member for Port Arthur's leader asked a question that was almost verbatim to the original question. In answering a supplementary question that is identical to the main question, I think I have the right to give my answer the way I did on the original question. Surely that is my right. The member, please, should not say I have to abide by what he thinks I should say.

The leader of the New Democratic Party has asked whether I support the private members' hour, the private members' procedure, and the answer to that is a categorical yes. I make it abundantly clear that in nothing that has occurred, no matter how he might try to twist what I have said, in no way have I indicated that the government is using any sort of majority in terms of eliminating or derogating from the private members' privileges. I would not do it. I have no intention of doing it.

**Mr. Cassidy:** Mr. Speaker, I have to express a little regret that the Premier will not give the assurance—

**Mr. Speaker:** Question, Mr. Cassidy.

**Mr. Cassidy:** There is no assurance there. I remind the House that the term of this government will go on for at least three years, and the slogan of the party in "1984" was "War is Peace; Freedom is Slavery; Ignorance is Strength."

One could add, a promise is not a promise and we have a government that is threatening to run roughshod over the rights of—

**11 a.m.**

**Mr. Speaker:** Do you have a question Mr. Cassidy?

## INTEREST RATES

**Mr. Cassidy:** Mr. Speaker, I have a question of the Premier. Can the Premier explain why it is that the Treasurer's budget speech last year devoted a major portion to the matter of interest rates and followed that up with a discussion paper on the question of interest rates, but in this year's budget, despite the problems that every sector of the Ontario economy is having with interest rates which yesterday reached a level of 19 per cent in the Bank of Canada rate, there is all of one sentence in the budget speech which refers in any way at all to the question of interest rates?

What other conclusion can we draw from this than that Ontario agrees with the federal government's policy and the high interest rate policies of the Bank of Canada and has no policy alternatives on interest rates to offer at all?

**Hon. Mr. Davis:** Mr. Speaker, I will go back a little bit in the history of last year's budget just to recall a few things to the mind of the leader of the New Democratic Party. I am not being partisan—I really am not—but if he goes back he will recall not only discussion in this House but also discussions between members of his party and others relative to his concern about whether the budget might contain a vehicle whereby interest rates and their impact could be discussed in a way that would not put him in the position of voting against the budget. I am telling him it happened and he happens to recall it.

Interjection.

**Hon. Mr. Davis:** That is right. He did not want an election last spring. We debated interest rates here in this House. They related, at that moment in history, I guess primarily to mortgage interest rates. We undertook to produce a paper by the ministries of Housing and Treasury and Economics as to its impact and to provide a vehicle for debate here in this House.

I think it is fair to state that one reason there was greater emphasis, the reason a discussion paper was contained in the budget document, was the suggestion of the New Democratic Party that this would be a vehicle whereby we could discuss and debate this issue but where they



would not be put in a position of having to vote against the budget and force an election which they quite obviously did not want. I think the member should remember that and should share it with his colleagues, because they knew that. That was one of the reasons, the member remembers.

There is no question that the interest rate problem at this moment in history is every bit as great as it was a year ago, if not more so. I guess the Treasurer could have taken three or four paragraphs to state the obvious. I do not think it is necessary to take half an hour in the budget to express further the concern of this government, which the Treasurer and I have expressed in answers to questions and in statements.

We have dissociated ourselves from the federal interest rate policy. We have had some fun with the official opposition with respect to it being its friends in terms of the present government of Ottawa. I think we have made it abundantly clear that we do not support the interest rate policy of the government of Canada. Maybe the Treasurer could have said it again Tuesday night, but I think it has been said two dozen times since the House convened.

**Mr. Cassidy:** It is normal in the major economic document of the government of the year to talk about the major economic problems of the province. That is why I find it so surprising that there should have been no substantive mention of interest rates at all.

The Premier clearly recalls a bit of history with respect to the New Democratic Party. He may also recall that the reason that the government was prepared to have the discussion paper on interest rates last year was that the government was not exactly that keen to have an election and, therefore, it decided to accede to the demands of one of the opposition parties in a minority situation. But the moment it gets a majority the question of interest rates suddenly has no relevance at all as far as this government is concerned.

**Mr. Speaker:** Proceed with your question, Mr. Cassidy.

**Mr. Cassidy:** My question is, will the Premier say what the municipalities of this province should now do when, for example, Sudbury is facing a borrowing rate on debentures at 17 per cent, Windsor is passing resolutions to protest the interest rates because its short-term borrowing is now up at the level of 19 per cent, Durham has had to postpone selling \$5 million in debentures because of the high interest rates, Essex

county cannot build a day care centre because it cannot issue the debentures, Waterloo is having to defer major capital projects because debentures are impossible to issue, and Sault Ste. Marie feels it is lucky to be able to have a commitment to some debentures at 15.25 per cent?

What are the municipalities to do when they find Ontario is not going to their defence to bring interest rates down, when they find their municipal grants are going up by only 10.5 per cent? They are now facing either major cut-backs in capital works or major increases in property taxes to pay for needed public services because this government will not defend them against the high interest rates.

**Hon. Mr. Davis:** In answer to the preamble to the question, I want to disabuse the leader of the New Democratic Party of one bit of history he referred to. I felt very strongly last spring that it would be irresponsible to have an election. I would make a prediction for the leader of the third party: The results would have been roughly the same. That is my own personal assessment.

I would say to the leader of the New Democratic Party that he can phrase his question any way he likes and he can say this government is not coming to the defence of the municipalities with respect to interest rates. This government has spoken out vigorously with respect to federal policy. The municipalities know that. Any reasonable head of a municipality, and that applies to 99 per cent of the heads of our municipalities, is fully aware the interest rate policy is that of the government of Canada.

They are concerned about it but they are not really looking to this government to solve the problem because they know we cannot lower interest rates. When they go into the market they are going to have to pay. Fortunately, through good management as a provincial government we do not have to go into the market. That is one of the great pluses in the budget.

If Ontario Hydro goes into the market, it is going to have to pay whatever the rate is. We have no vehicle to alter that and it too will have to face whatever the interest rates are on the day it goes into the market. The answer is simple: All of us are faced with this problem.

One or two municipalities are postponing certain capital works. It is unfortunate but I have to tell the honourable member this government has made that decision. There are some capital works we would like to proceed with. There are a number of capital projects that would have validity in terms of their need but

we have had to make those decisions. We are not moving ahead with some capital projects that the Minister of Education and Minister of Colleges and Universities (Miss Stephenson), the Minister of Health (Mr. Timbrell) and others of us would like to see move ahead, because it would put us into the position of having a larger deficit and having to borrow at the present rates. That is one of the tough decisions one has to make when one is in government.

**Mr. Peterson:** Supplementary, Mr. Speaker: I agree with the Premier's recollection of history where he bought off the NDP with a piece of paper. But I want to ask the Premier, while recognizing he cannot solve all the problems, why would he not now reorder some of the spending priorities for some immediate interest rate relief for those people most hard hit? This is obviously a matter of judgement. We disagree with him and he disagrees with us; that is fair enough, but that is his responsibility. That has to be our collective first priority. Why would he not do that?

**Hon. Mr. Davis:** Mr. Speaker, I am looking forward to the honourable member's budget contribution. I may not be able to hear it all but I assure him I will read it. I always do; that will come as a surprise to him. I am sure he will have some specifics Monday afternoon as to where he might reorder the priorities. The reality is—and I am sure the member will pay attention to this on Monday—when he looks at the amount of discretionary funding available to this provincial government, he will find it is a relatively small portion of the total budget.

**Mr. Peterson:** I have given you some specifics.

**Hon. Mr. Davis:** Do not get excited. When one takes out our transfer payments to the municipalities, to the school boards and to the health system in this province, one is then down to a relatively small portion of the total budget.

**Mr. Peterson:** You sound like the federal Minister of Finance, Allan MacEachen. What is the matter with you? That is what the feds say.

**Hon. Mr. Davis:** I am just telling the honourable member what the reality is in terms of our expenditures. Let him take a look at it. I have not totalled the figures, but I would be surprised if more than 75 per cent of the provincial budget does not go by way of transfer payments. It is somewhere close to that figure.

**Mr. Smith:** The same is true of the federal budget.

**Hon. Mr. Davis:** Listen, if the honourable member wants to defend the federal budget and the federal interest rate policy and if he wants to try to transfer it here, I understand that.

**Mr. Smith:** You always say they are dumping it on you, and you are dumping it on the municipalities.

11.10 a.m.

**Hon. Mr. Davis:** Oh, come on—that is what he is trying to do. Listen, let's have a little fun this morning. He is protecting his brother in Ottawa—I will not even mention his father-in-law this morning; it is his brother in Ottawa he is trying to protect today, and we know it.

Incidentally, I do not take exception to some things the honourable member says, but I think it is unfair to say to the New Democrats that they were in any way bought off. The honourable member's own party was very nervous during those four years on a number of occasions. The honourable member himself chickened out on a number of occasions during those four years, and if he had any sense he would still have chickened out.

**Mr. Speaker:** The time for oral questions has expired.

#### LEADERS' QUESTIONS

**Mr. Swart:** On a point of order, Mr. Speaker: I refer to a new precedent that has been set in this House this morning, which had not been set during the five and a half years I have been here, and that is that there have been no back-benchers' questions at all. All the time was taken up with the questions of the leaders—

**Mr. Speaker:** Order, please.

**Mr. Swart:** May I finish my point of order?

**Mr. Speaker:** Order. Nothing is out of order. Please resume your seat.

I agree with you totally, and that has been my bias, if I have had any bias: to favour the back-benchers. I would suggest to all parties that they speak to their leaders and their House leaders. It is a point well taken, and I am glad you raised it. Thank you.

Interjections.

**Mr. Speaker:** Order. Order, please.

**Mr. Swart:** Mr. Speaker, you interrupted me before I put my point of order.

**Mr. Speaker:** Well, please state it.

**Mr. Swart:** I would ask you to investigate the time that was taken on the leaders' questions, and determine whether in fact the Premier of



this province did not take up more than half the hour in answering his questions. Would you determine some procedure whereby his answers can be shortened so that the rights of people such as myself, a back-bencher, are not abrogated by the government over there?

**Mr. Speaker:** I will be pleased to do that. We do keep track of the time, as you probably know, and I do not really disagree with what you have said.

**Mr. Smith:** On that point of order, Mr. Speaker: I believe that the assistant clerk has a list right in front of him of how many minutes were spent on the questions and how many minutes were spent on the answers. If you would care to give us those figures we would certainly all be well advised.

**Mr. Speaker:** I will be pleased to take a look at them and report back on Monday, but not today. I have not seen them. I would like to have the opportunity of going over them.

## INTRODUCTION OF BILLS

### INSURED HEALTH SERVICES ACT

Mr. Philip moved, seconded by Mr. R. F. Johnston, first reading of Bill 82, An Act respecting Insured Services under the Ontario Health Insurance Plan.

Motion agreed to.

**Mr. Philip:** Mr. Speaker, I believe that by this point everyone knows the contents of this bill. Thank you.

### INTERIM ANSWER TO QUESTION ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day I wish to table the interim answer to question 89 standing on the notice paper. [See appendix, page 912.]

## ORDERS OF THE DAY

### HUMAN RIGHTS CODE (continued)

Resuming the adjourned debate on the motion for second reading of Bill 7, An Act to revise and extend Protection of Human Rights in Ontario.

**Ms. Bryden:** Mr. Speaker, the amendment to the Human Rights Code which has been introduced this session is long overdue. The government is taking credit for bringing in this change to the Human Rights Code, but it should be hanging its head in shame because it is four years since the Ontario Human Rights Commis-

sion held its own inquiry into the operation of the code and made very substantial recommendations for change.

We have waited four long years for a single change. In fact, we went through a false start when changes were introduced a year ago for handicapped people, but in such a form that segregation was proposed for the handicapped rather than bring them into the ambit of the Human Rights Code. So another year was lost while the government went through this false start.

Then, of course, the bill was introduced very late in the session of 1980, so that it would be before the electorate when the election came, but so late that there was no time for debate or possible public hearings and it died on the Order Paper in 1980.

Finally, after the election, we have a new bill; but during all those years how many people suffered discrimination, how many handicapped people did not have opportunities open to them and were discriminated against in a thousand ways, in access to places, in access to jobs, in simple access to services? Did this government care that over all those years thousands were denied their human rights?

While the new bill has many good clauses in it, it will be no better than the old one unless the government does a better job of enforcement and public education. It will remain a piece of Tory window dressing if the government does not put more funds into staff and introduce measures that will reduce racial and social tensions in Ontario. There always seems to be lots of money for things such as 21 parliamentary assistants—a record—costing \$136,500 just in salaries, but there never seems to be money for enough human rights officers in order that cases may be dealt with expeditiously.

The new code will not end the gross discrimination against women and the handicapped unless a more vigorous affirmative action program is adopted by this government. The government's commitment to human rights will be demonstrated only when it ceases to violate its own code. Will the clause in the new bill stating that it binds the crown stop the government from discriminating against single parent males who are denied the same rights to family benefits as single parent females? Will the government instruct the Liquor Control Board of Ontario to end the hiring practices that resulted in the board having 3,837 male employees and only 81 permanent female employees in 1979?

The government's commitment to human rights is questionable since it rejected Bill 3, which provided for equal pay for work of equal value, even though the Legislature had given this bill second reading. Just lately, the government blocked a private member's motion to provide for a change in the appointments to agencies, boards and commissions so that such appointments would reflect the diversity of Ontario. The government blocked that bill without allowing it to come to a vote. This seems to indicate that its commitment to the bringing forward of ethnic groups, more women and other groups who are not adequately represented in those appointments is very questionable.

**11:20 p.m.**

Will the government also show its commitment by strengthening its own affirmative action programs for crown employees and putting that into legislation, as was urged by the Ontario Status of Women Council last fall? Progress in moving women from the clerical ghettos to better-paid administrative posts has been painfully slow in the public service. In fact, in the latest report from the women crown employees office, a new target has been set for moving women into higher-paying posts. The new target is for the government to seek a minimum representation of 30 per cent for women in all management modules and bargaining units by the year 2000.

How long do we have to wait? Women now constitute 41 per cent of total public service employees but they constitute only 23 per cent of the administrative modules and only 6.6 per cent of what is known as the program executive series.

If the Ontario government really believes in affirmative action for the handicapped, for women and for other disadvantaged groups, why does it not follow the United States' lead in making the adoption of an affirmative action program a requirement in every government contract? The new bill does have a provision saying those who receive government contracts and grants must observe the sections of the Ontario Human Rights Code relating to employment. I would have thought everybody must observe those sections. All those clauses do is provide an additional penalty for the holders of government contracts or grants, the penalty being that they would lose their contract or grant if they violated the code. Surely it should be taken for granted that all citizens of the province and all employers will observe the code.

Moreover, the government is discriminating against women when it fails to provide adequate day care for working mothers and refuses to accept the principle of equal pay for work of equal value. This is a form of discrimination that restricts the rights of women to equal employment opportunity.

The government is discriminating against the handicapped when it fails to ensure access to personnel departments and work places where handicapped persons might seek jobs. It is all very well to give sales tax exemptions to a handicapped person who operates a car—and that is a new provision that was just brought in—but if he can only drive the car to the outside of the factory building and cannot get into it to get a job or to get to the personnel office, the exemption is not of much benefit.

The Ontario government's true concern about human rights will also be evidenced if it undertakes the kind of public education and research needed to promote understanding and compliance with the act. Under the previous legislation, the Ontario Human Rights Commission had the power to undertake such activities but precious little was done. The power is retained in the new act, but will it be used or will the code be another piece of ineffective Tory legislation?

There are some advances in the new code on which I would like to comment. Bringing in the handicapped at long last is one of the outstanding ones. The recognition that affirmative action is needed for women, the handicapped and other disadvantaged groups is welcome. The establishment of a race relations commission is also very necessary and I hope it will be able to reduce the racial tensions in our society. I also hope we will find a means of dealing with the racial hatred that is being developed by the followers of the Ku Klux Klan.

There are sections in the new code which suggest that anybody whose actions or counselling would lead to a violation of the code should be in violation of the law, but I think the clause is very weak and needs strengthening.

The clause providing damages for mental anguish is definitely an advance. When a complaint is lodged and a finding is made that there has been discrimination, the clause requiring a report within 30 days from a board of inquiry is certainly a step in the right direction and recognizes there have been long delays from some boards of inquiry. As we all know, justice delayed is justice denied.

The clause outlawing discrimination in housing to recipients of public assistance is a very



necessary one. There is no justification for landlords singling out certain sections of society and refusing them accommodation for any reason other than that they do not pay the rent or that they are destructive tenants.

The clauses in the act outlawing various kinds of harassment are a welcome addition. Sexual harassment is one of the most important, but there are other kinds of harassment, such as the harassment of supervisors on the job and the harassment of one employee by another or one tenant by another. There is also harassment by landlords—

**Hon. Mr. Elgie:** It is all covered.

**Ms. Bryden:** Yes, that is what I am saying. It is a good thing these are covered. I hope there will be strict enforcement of these clauses.

There is some concern about the use of the word "persistent" attached to the clause about sexual harassment or to the clause saying that it must be a "course of conduct." These will have to be looked at very carefully when we are in committee stage.

I have mentioned some of the good things in the bill but there are also some omissions. Among the omissions are provisions for class actions. It is true the commission can group complaints if it so chooses, but complainants should be allowed to bring forward class actions if there is a whole class whose rights are being violated.

There is the omission of political beliefs, which should not be a ground for discrimination. There have certainly been cases where people have failed to get jobs or failed to get promotions because the employer disagreed with their political beliefs. In some cases, they have been denied the opportunity to have normal leaves of absence to be political candidates. If this was specifically outlawed we would be protecting our democracy and this is one of the areas I would like to see added.

Another omission is the question of sexual orientation, which I think is a matter of human rights. I know that individuals in this province have lost their jobs, or been refused housing accommodation, or been denied promotions because the employer or the landlord disapproved of their lifestyle or what they did in private on their own time.

**11:30 a.m.**

I am opposed to any discrimination against any person because of that person's beliefs, culture, or lifestyle, as long as what the person does is legal and does not harm others. I am

totally opposed to the sexual exploitation of anyone, whether man, woman or child. There are laws against this, and I believe they should be strictly enforced.

I am also opposed to the proselytization of any particular form of sexual activity in the schools. I believe a civilized society has to be based on a tolerance which says to our fellow human beings, "I may not like your religion, your culture, your political beliefs or your lifestyle, but as long as they are legal and not harmful to others I respect your right to follow them."

I wanted specifically to speak about how the code will affect women and what the limitations are at present in the current bill. I have mentioned, on the question of sexual harassment, my worry about the word "persistent." With regard to affirmative action, I have mentioned that there should be contract compliance clauses added, which would make it a requirement of a contract that the employer file an affirmative action program, and that the program be monitored by the government so we can have some real action, in the private sector particularly, on affirmative action. I think the same clause should apply to the government, that it should also have to have definite affirmative action programs, possibly put into legislation, so that it is following a course of action that will change the present imbalance we now have.

Looking at the statistics, while women constitute almost 52 per cent of the population, they get only 58 per cent of the wage level of males. They are the first to be laid off. They have less seniority because of the childbearing years that in many cases cause them to drop out of the work force; yet this government continues to block an amendment to the Canada pension plan that would compensate women for those years when they drop out for childbearing purposes, and would allow them not to lose their Canada pension plan benefits because of that drop-out period. Those years would not be counted.

This government alone has been blocking an amendment to the Canada pension plan for many years. I think practically all the other provinces want that amendment, and that seems to me an indication of how much this government really is committed to the human rights of women.

There is no doubt that women are a disadvantaged group. Many of them are confined to part-time jobs. There is no protection for part-time jobs, or very little such protection, under



our labour laws and under benefit programs, and this is another area where, if we are going to end discrimination against women, we must bring in standards for part-time workers.

There is one clause in the new code which brings in family as a new ground for discrimination, and it is prohibited, but they have put an exception in there. One can be discriminated against by an apartment owner, if one has children, in an adult building. I think it is completely unacceptable in our society that people who have children should be treated as second-class citizens. I can see the necessity, perhaps, for having an exception for senior citizens' apartments which are for senior citizens only, but I cannot see an exception which says that all other apartments should not be open to people with or without families.

There is a clause that prohibits discrimination on the grounds of marital status. That was in the previous code, but there is a new clause in this code which says that it does not apply when somebody seeks an apartment in a building which has four or fewer units if the building is owner-occupied. I fail to see why there should be this exception, because presumably the units are self-contained. It could discriminate against single parent families. For example, the owner could decide not to accept single parent families. It could discriminate against single people. The owner could decide not to accept single people. I think people have to be judged on their merits as suitable tenants by the owner but I do not think sex, marital status or family should be one of the grounds on which they can refuse to accept a tenant.

There is another area in the new bill that gives me considerable cause for concern. That is clause 20, which gives an out for all insurance policies of any kind from any possible violation of the code if the policies differentiate on account of age, sex, marital status and any other prohibited grounds.

I can see there are some policies that do have to be adjusted according to age, such as annuities, but I think this blanket exemption puts the government in a position where it does not have to start looking at the unfair differentials in present contracts of insurance, for example, auto insurance.

The previous Minister of Consumer and Commercial Relations, now the Minister of Community and Social Services (Mr. Drea), said he was going to look into the question of discrimination in insurance policies on account of age or sex and put them, if possible, on

driving records. He made a big announcement about this and said he had been talking to the insurance companies, but so far nothing has happened. He has now moved on to another portfolio. I hope the new Minister of Consumer and Commercial Relations (Mr. Walker) will continue to look into this question. I think if we took this blanket exemption out of the human rights code, the government would be under pressure to see that all of these various kinds of contracts of insurance were looked at so there was no discrimination in them that is of an unfair nature.

Another omission from the code is that a woman can still be fired for pregnancy, because there is nothing in our Employment Standards Act that really says an employer cannot fire you for any reason he likes. It is true we do have pregnancy leave period and she can take a certain amount of time off, but if she wants more time the employer can fire her or he can decide when she comes back that she cannot look after her family adequately.

I had a woman who came to me and said she had qualified for a very good job with a trust company. She had an MBE degree and they thought she was definitely capable of doing the job. But when it came to asking her about her family arrangements for looking after her two children, when she said her husband intended to look after them and work on a different shift, they rejected her on the grounds this was not a secure enough arrangement because he might change his job or his shift. Therefore, they refused her the job.

**11:40 p.m.**

It seems to me this is completely unacceptable and any discrimination by an employer on account of the arrangements individuals make for their families or their desire to have families—in other words, pregnancy—should not be allowed as long as they are physically able to perform the job.

These are some of the shortcomings of the bill and they should be looked at carefully.

In conclusion, I would like to say we will not end discrimination in this province until the government takes on much wider programs of affirmative action, much wider programs opening up apprenticeship training, manpower training and on-the-job training to women and handicapped people. We will not end discrimination until there is much greater action from the Minister of Education (Miss Stephenson)—who is in the House although I do not know whether I have her attention—in eliminating sex stereo-



typing in the schools, and from the Minister of Consumer and Commercial Relations in eliminating sex stereotyping in advertising. Until these things happen, we will not bring equal opportunity to all sections of our society.

Another area of new concern is what is known as the microelectronics revolution or, more popularly, women and the chip. It is rapidly growing in this province and country. When this microelectronics revolution comes to its peak there will be a real decline in the number of clerical jobs available for women.

Right now, about 75 per cent of women are in clerical jobs. This is a real threat to employment opportunities for women and there is a great need for retraining of women in the clerical field. I have not heard of any programs from the government to respond to this electronic revolution. I think this is an area it is going to have to look at if we are going to have a society in which there is equality of opportunity.

**Mr. Robinson:** Mr. Speaker, I rise in support of the bill and my comments this morning will be brief. I think there comes a time to step back a little from the chapter-by-chapter and point-by-point pieces of the legislation itself and to look at exactly what it is we are attempting to accomplish.

Briefly, I want to go back historically and remind all members of this House that Ontario was the first province in Canada to introduce a human rights code many years ago. I think it is fair to say we have always been the leader in this country and I would dare say of almost any democracy in the western hemisphere as far as human rights protection goes. That becomes the point of the whole piece.

I do not think this government or any other government can legislate what public opinion is, what the public will is, how the public shall react in a given situation or what the public's attitude shall be. Those are things one simply cannot legislate into place in a democracy and expect them to be effective. I fully believe that in Ontario we have a system of human rights, a protection of people against other people and from other people that is a model of envy throughout North America.

There may be less discrimination as such within totalitarian states, within Communist states where people do not dare to have opinions of their own, but that is not why thousands of people from other countries come year in and year out to live in this province. That is not why we have such a multicultural weave of the fabric in the community. People come here because

they believe they can be themselves. They can bring their heritage with them, they can bring their traditions with them and yet they can be part of the most flourishing democracy the world has to offer.

In terms of the bill itself, once again I think the minister has demonstrated the sensitivity of this government in coming forward with legislation which may go some distance yet to prevent more kinds of discrimination, may again enhance the lack of discrimination, and may take another step against discrimination in this province. I do not think we have the power as a government or that we have the mandate from the electorate to demand how people will think or act. We want people to act decently and civilly and humanely, one to another. That is the ideal of democracy. I think we are much farther along that road than anyone anywhere else.

In conclusion, I would simply make one other point in response to a comment made by the member for Scarborough West (Mr. R. F. Johnston) in his remarks in this House a week ago. He said we had the opportunity in Scarborough this time to make the light rail transit system accessible to the handicapped. That argument has been made many places and many times both locally and here in this House over the past number of months, but that is only the first step. It does not address itself to the question of making the Toronto Transit Commission system accessible in its entirety. There is little point in putting in one little part, having people get on the LRT system at the Scarborough Town Centre, ride it to Kennedy Road, and then have nowhere to go from there.

We are the enlightened leaders in human rights in this province. I continue wholeheartedly to support the efforts of the bill.

**Mr. Newman:** Mr. Speaker, I rise in support of Bill 7, An Act to revise and extend Protection of Human Rights in Ontario. I do so with a sense of pride in and satisfaction with the fact that one aspect of the bill on which I intend to concentrate my remarks has been eventually accepted by government after prodding them to act for some seven years. I refer to the elimination of discrimination because of a physical handicap.

I first raised the issue in this Legislature in 1974 and asked government to take action, but apparently we were a little too far ahead of our time and government hesitated to act. I recall asking the then Minister of Labour, Mr. Guindon, if he was considering requiring employers to hire a certain number of handicapped people, not setting a quota at all, but at least having



handicapped employed in a given industry, especially where they could perform the requirements of the job. The government not only hesitated to act in 1974, but rebelled against acting at that time.

In the same year, about two weeks later, I asked the then Minister of Consumer and Commercial Relations, Mr. Clement, if he would increase opportunities for the handicapped to obtain employment by hiring handicapped women as cashiers in government stores. I was referring at the time to the beer and liquor stores. I could not see why a handicapped individual could not be punching a cash register just as easily as one who is not handicapped. Naturally I am referring to a physical walking handicap, rather than a handicap requiring the manipulation of arms and fingers.

**11:50 p.m.**

I also asked the provincial Treasurer, Mr. White, in November 1974, to see that the handicapped would have access to polling subdivisions. Generally, in the past, the polling subdivisions selected by the returning officer were selected in private homes without taking into consideration the difficulties in walking of certain individuals. I can recall asking him to give consideration to providing some type of opportunity for them to vote without actually having to go into the residence, and I did suggest that the ballot box could be taken to the outside where the handicapped individual was in a vehicle so he or she could mark the ballot and then deposit it in the box. Since then we have gone a long way.

In my own community in the last provincial election the returning officer in Windsor-Walkerville made arrangements for every single advance poll—and there were four of them—to be on ground level so that the handicapped could be wheeled in very easily to exercise their franchise. I think it was a very forward step, and I really commend the returning officer in the Windsor-Walkerville area for doing this. I understand that was not a general practice even though it may have been suggested to other returning officers.

We can still go beyond that stage, and we hope government does extend the right to vote in a way similar to what Manitoba has done, and that is the write-in ballot. The individual is sent two envelopes; the individual has the right to indicate on one of the forms that he or she is the individual, and it is witnessed by another person. The individual then marks the ballot in secret and inserts it into a special envelope that

in turn is inserted into the main envelope and sent in. That is one of the procedures used in one of the provinces in Canada that is worthy of copying and implementing in Ontario.

At one time in the Legislature we did debate the bill that I had introduced—it was first introduced by me in 1975—an act to amend the human rights code. It was an act to eliminate discrimination because of a physical handicap. That legislation dealt solely with the physically handicapped, and at that time the other types of discrimination, I understood, were being taken care of or were the concern of others. I was solely concerned with the physically handicapped because of personal and family experiences I have had. It was strange that it was not accepted at that time.

I regret very much that it was not accepted. One of the cabinet ministers made a comment that I found extremely strange for a cabinet minister. I asked him if he would amend things in the labour laws for handicapped people. He replied: "I think the human rights code is something that is apart. We can dilute the code by putting other incidental things in that really are not fundamental to it. I think race, colour and creed are things we are trying to protect in the human rights code." Then he continued to say, "If we start putting things such as the handicapped in it I don't think it will do much for the handicapped, and I think it will detract from the basic principles of the code." That was May 16, 1975. Imagine the thinking of an individual, a legislator, back in 1975, when it comes to some type of consideration for the handicapped.

We have gone a long way, and I appreciate the minister's acceptance of some of those recommendations that I had made in the introduction of the bill to amend the human rights code, which was introduced every year since 1975—not this year, because the minister had done more than I had suggested: I was talking solely about the physically handicapped; he amended the complete code, which was a substantial improvement over my suggestions.

The only thing I regret is that if it had been accepted in 1975 when it was first introduced, it is more than likely that we would have had what he is introducing here today operative already. There may have been other additional types of discrimination that could or would have been introduced between 1975 and today. It does disturb me very much that we were so slow in taking into consideration those for whom the handicap is difficult enough without us discriminating against them.



I commend the minister for introducing this bill. I could speak, I would say, almost ad nauseam on the topic but it is going to be extremely repetitive; my present comments may already be repetitive with the number of speakers who have preceded me.

There was one other item that I did want to mention in my comments. When we are talking about discrimination, I can tell the minister that his government and his colleagues discriminate. It may not come under the human rights code, but when one finds something that is not right and that could be corrected by the ministry and by cabinet in general and it is not done, one is discriminating against that individual or group of individuals. I make mention of my own community and the fact that over the years we have not been given our fair share of the resource equalization grants. We pointed it out to the minister of the day; but he did not correct it, so that over the five or six years, the city of Windsor has been discriminated against to the tune of well over \$40 million. No attempt has been made by government to correct that. They have made no attempt to repay a debt that they have to the community.

I know this may not be on the principle of this bill directly, but it is another type of discrimination that has been practised by this ministry over a substantial number of years. I do not want to say that discrimination was because of political differences between the city of Windsor, the county of Essex and the government here, but regardless of whether it is discrimination against the individual or discrimination against a municipality, discrimination is wrong. It is wrong regardless of who or what body is being discriminated against.

I am looking forward to the bill being sent to committee so that other individuals and organizations can make presentations to that committee. I trust that government will not turn back substantial, constructive, good recommendations and suggestions that may be presented to them by groups, bodies or individuals who may have only one purpose, one type of discrimination that they are looking forward to having eliminated.

By everyone making a small contribution, I hope we will arrive at an amended human rights code that will be the best that we can arrive at today.

As far as discrimination is concerned, we are never going to eliminate it but we may minimize the amount of discrimination that may be exercised one against another. Why do two

individuals fight? It is because they did not like what one may have said to the other, so they discriminate against one other because of thought or action. We do hope that discrimination, regardless of whether it is a physical, mental or emotional or any type of handicap, can after some fashion be eliminated, and if not eliminated, minimized.

#### 12 noon

**Mr. Haggerty:** Mr. Speaker, I would like to endorse Bill 7, An Act to revise and extend Protection of Human Rights in Ontario.

I was interested in the minister's opening statement concerning section 4 of the act as it relates to employment. Last year when we were discussing the bill on second reading, I brought to the attention of the minister the policy set by the Liquor Control Board of Ontario in hiring its employees. Prospective employees would have to answer such questions as: "Do you have any degree of disability? Do you have a hidden illness? Have you committed a criminal offence?" I felt that should never be authorized under government legislation for a government body in this particular area, in the sense they could be discriminated against. In some cases they have been.

In the minister's opening statement he makes reference to this particular area. On a number of occasions I have brought up the matter of persons who have been ill-treated in job security, persons who have been injured in industry and, in particular, persons who have a workmen's compensation claim.

The minister said, "The new code will protect the victims of past injuries, including those who have received workmen's compensation benefits, against discrimination on the grounds of their disabilities, subject only to bona fide occupational qualifications." It seems to me one minute the minister is removing the discrimination, but then is applying it again, if I interpret that correctly.

The minister is shaking his head to show he does not mean it that way. I hope he can give us a clearer understanding of what he means. I am a little bit puzzled when I look at the words "bona fide." The question is, who is to make that decision? Is it going to be the courts of Ontario or is it going to be the commissioners who make that final decision?

I think the minister is as well aware as I am that qualifications still are required. In industry today, where a person has been injured and placed in a lighter, modified category of employment, a number of industries will say,



"Based upon that, you are not being accepted back into full employment with this particular industry." I am aware that does take place and I am sure the minister and other members are too.

The Workmen's Compensation Board says, "Light modified work, light duty work." There are many places where these persons may be employed in industries that say, "Your services are no longer required based upon your degree of disability."

In this particular area, based on my experience while working in different industries in Ontario, I know employers in a number of industries have access to a computerized system which can tell them the credit rating of any person seeking employment. This can deny that person the right to a job in Ontario. They can also obtain a record of injuries. Since we are into computerized areas of society today, that information is available to almost any industry which can tap the system. I think the government taps it too.

I would like to have some clear understanding of what the minister means by "bona fide," that he is not going to take that right away.

I look at section 9, which concerns age. It says in subsection (a) that "'age' means an age that is 18 years or more and less than 65 years." I could agree with that, but I think there is another area where we looked at handicapped persons in Ontario who should be considered under this bill.

Many persons have a degree of disability, multiple sclerosis, muscular dystrophy, et cetera, who are aged 14, 16 and 17—in that area—who are being looked after by their parents at home at considerable expense. If one wants some assistance from the government, one would have to be aged 18, the age of majority, before one could qualify for provincial assistance in this particular area. I agree with the government's policy to decentralize many of these institutions and to let these persons come back and enjoy family life as much as they possibly can under the circumstances.

I suggest we should be looking at an area that provides some assistance to families. There are cases where both parents have had to work to support a person with a degree of disability. We find now that one of the parents may have to quit work so as to stay home and look after the child. There is discrimination in government legislation in this area. I suggest this legislation should include some assistance based on income for such families.

On a couple of occasions I have had cases brought to my attention of families who have lost their homes as a result of the cost of providing medical services and special care for a child at a home, because of the age differential between 14 and 18. I suggest this is an area we should look at. I am sure the minister, being the humble person he is, will look at this area.

There are other areas I am concerned about. I had the pleasure to speak on a private member's bill presented by my colleague the member for Windsor-Walkerville (Mr. Newman) which brought attention to the handicapped's needs. I find there is discrimination in the employment of these people. I was hoping the minister would have something under section 4 where a number of employees have no access to the Ontario Labour Relations Board—

**Hon. Mr. Elgie:** What has that got to do with this bill?

**Mr. Haggerty:** I am bringing up the point of discrimination. I think this bill discriminates against employees, 70 per cent of whom have no access to Ontario's labour courts. They can be discriminated against, they can be improperly dismissed, they can be fired and they have no way—

**Hon. Mr. Elgie:** Not for anything prohibited in this bill they can't.

**Mr. Haggerty:** That it is not spelled out in detail, and that is what I am afraid of. I suggest an avenue should be provided so that these persons do have a right to grieve if they are dismissed improperly. One of the other members mentioned persons who worked part-time in a number of cases. There are many persons who can grieve if improperly dismissed in this area. I suggest these persons should have a right to go before the Ontario Labour Relations Board.

As a member of the Ontario Legislature, I am concerned that I have been discriminated against. I would like to have a file before me but I do not have it today because of the moving of some members' offices. I have to operate for a month out of cardboard boxes, and I cannot pick up the file I wanted. However, if I recall correctly from memory, it involved the decision of the Ontario Human Rights Commission relating to sports activities in the province, particularly to minor softball. Certain constitutions are set up within a governing body.

There is a case in which I have to disagree with the commission's final decision relating to areas where both sexes compete. It relates to



sports activities for the young—minor hockey, peewee hockey, whatever it may be—or softball in this particular decision. It said girls now have the right to play on boys' teams. This does not happen in the Olympics. We do not find girls competing there against boys and vice versa.

Where the constitutions of these bodies refer strictly to males, I do not think females should have a right to be on those teams or to claim discrimination if they are not permitted on them. If the girls want to organize in a particular sports activity, they have that right. The same thing applies to the boys. I think you have to draw a line in this area. There is competition that can be developed on both sides without depriving the other of their rights. I think the boys have a right to say, "I want to be in male competition," as much as the girls have a right to say, "I want to be in female competition."

**12:10 p.m.**

I come from an area that has had good sports groups that have taken championships in Ontario, particularly the women softball players in Fort Erie. They are champions across Canada. But there are no boys playing on that team, and I think there is a reason for that.

I think we have to draw the line. The decisions of the commission have perhaps gone a little bit too far in this particular area. There are certain constitutions that say one is for boys and one is for girls. This is the way it should remain. If they want to have joint hockey teams or ball teams then they can go that route. But I suggest that the competition is distinct between the two sexes, female and male, and that it should remain that way.

I know the Ontario Softball Association is not too happy with that decision. I wish I had that file with me; I would read it into the record. They do have some disagreement with that decision, and I have to agree with them. We can get carried a little bit too far when we talk about discrimination as it relates to males and females, and particularly as it relates to sports. We have to draw the line.

I support the bill, but I bring to the attention of the minister that there are some areas of concern. Perhaps he would like to give further explanation of section 11 of the bill.

**Mr. Renwick:** Mr. Speaker, I want to make some remarks on second reading, but I do not want to go on at any great length. Most of the points I want to cover have been covered.

As I said informally to the minister a day or two ago, I think it would be useful for us in

summarizing the position of our party to signal very clearly to the minister the matters that we consider to require amendment in the bill when it gets out to committee. Rather than wait until that time, I propose to indicate very clearly to the minister the major areas that we consider to require his attention so that when we get into committee we can deal more expeditiously with it.

It will be the target of our caucus, to the extent that we have any control over it, particularly with a view to the public submissions that may be made to the committee, to have the bill reported back to the assembly and passed before the date of the summer recess of this assembly, if that is possible. It does seem appropriate, particularly in the International Year of Disabled Persons and with July 1, as I understand it, the International Day of Disabled Persons, for us to have in place the new human rights code.

When I say that I want to deal with the amendments to the bill that are of concern in our caucus, I do want specifically to exclude at this time the discussion of the provisions relating to disabled persons. We have some concerns, but we have only recently received a number of submissions from the Coalition on Human Rights for the Handicapped. We have not as yet had an opportunity to meet with them and review their submissions, but we will be doing that and trying to sort out those of their suggestions that we believe have merit and those that perhaps are covered in some other portion of the bill.

Recognizing that in committee we will be dealing at some length with questions relating to disabled persons, I do not intend now to go into the very specific provisions of the bill as they relate to that extension of the rights of the commission and the inclusion in the bill of the rights of disabled persons. When we get them sorted out and when our caucus is in agreement, I would like to send them on to the minister again so that they could have some consideration by the minister and his advisers before the committee commences.

I spoke at some length on the predecessor bill, Bill 209, on December 9 last year when it was before the committee; so there is no need for me to reconstruct that particular debate or to add to the comments that appear in Hansard and continue to be matters of real concern with me.

What I now want to do expeditiously is to move directly to the major areas of concern with respect to the amendments of the bill.



My first concern deals with the first recital in the bill. While it refers to the original Universal Declaration of Human Rights as proclaimed by the United Nations, which is a very appropriate and proper reference, it has no reference to Canada's adhesion and the binding nature on this province, which in due course will be effected by legislation, of the two international covenants to which Canada is a party under the United Nations.

There should, therefore, be included at the end of the first recital a reference to the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. It seems to me it would be appropriate that a revised and amended bill should recognize the kinds of extensions of rights that are given consideration in those two covenants to which Canada is a party and by being a party has made binding upon this province as part of the federation of the country.

My second area of concern deals with a major position that we wish the minister to consider seriously. I want to deal with it in relation to the definitions of "discrimination" and of "equal" that are in the bill and specifically in relation to section 1 of the bill, recognizing, of course, that if the scope of the bill and the principle that we are illustrating by using section 1 for that purpose were adopted, it would also require consequential changes in section 2(1), section 3, section 4(1) and section 5.

Our concern is the extremely restricted and rigid jurisdiction that the bill confers on the Ontario Human Rights Commission. The phrases used are "prohibited grounds of discrimination" and "contrary to law," and the bill provides that everything the commission can do for practical purposes must come foursquare within the itemized list of prohibited grounds of discrimination. So in the very initial instance there is a prescription and a restriction on the work of the human rights commission to come within the strict boundaries of the statute. I am going to suggest to the minister that the time has now come to make a step forward in providing for a loosening of that rigid jurisdictional restriction.

I proposed it to him in somewhat technical language but, to make my point clear, we think that the first section of the bill should read: "Every person has a right to equal treatment in the enjoyment of services, goods and facilities without discrimination and in particular, without limiting the generality of the foregoing, without discrimination because of race, ances-

try, place of origin, colour, ethnic origin, citizenship, creed, sex, age, marital status, family or handicap."

The purpose of that would be to provide what we are saying in the bill, that in Ontario there is to be no discrimination. We are detailing certain itemized lists of prohibited grounds, but not on an exclusive basis. That would provide a degree of flexibility. Let me illustrate that somewhat briefly by looking at the definition of discrimination as it appears in the bill.

**12:20 p.m.**

We think that the definition of discrimination, which in a very real sense is the gut clause of the bill, should be amended to read: "'Discrimination' means differentiation resulting in an exclusion, qualification or preference because of a prohibited ground of discrimination and in any other case without bona fide and reasonable grounds."

In that way we would have a situation where we have very clear itemized lists of prohibited grounds for discrimination, but we would also provide the clear position for the commission so that, if a complaint were made about discrimination on other grounds or for other reasons that do not happen to fall foursquare within the tight limitations of the bill, the commission would have jurisdiction to listen to the complaint, to deal with the complaint and to strike the discrimination down if it could not be supported on bona fide and reasonable grounds.

I think that would do an immense amount to allay the concerns that are abroad that there are areas of discrimination not touched by the bill and that there are areas of discrimination which, even in the listing of the functions of the commission, could not be dealt with by the commission, because each of the functions that is operative are closely restricted to the jurisdiction granted to the commission under the bill.

Consistent with that, we would like to see the definition of "equal"—because the two words "discrimination" and "equal" appear in each of the operative provisions of the bill—to be enlarged to read: "'Equal' means subject to all bona fide and reasonable requirements, qualifications and considerations that are not a prohibited ground of discrimination."

I believe the minister will understand that I am not a legal draftsman. All I am trying to do is to illustrate the principle of a major concern of this caucus about the extent of the jurisdiction. We have tried to marginally increase that jurisdiction by providing a discretionary authority to the commission, through the medium of the



definition of discrimination, and the definition of "equal," which is used in the bill. I have illustrated that in the particular instance of section 1 of the bill, referencing of course the fact that, if accepted by the government, it would require other changes in certain of the other sections in part I.

The third item that has been of concern in our caucus—and we are somewhat in a quite distinct position from the Conservative Party and the Liberal Party—is that our party has a policy that would include the term "sexual orientation" as one of the prohibited grounds of discrimination in the Ontario Human Rights Code.

I listened with considerable interest to the two members, one from the Liberal Party and one from the Conservative Party, the member for Hamilton Centre (Ms. Copps) and the member for St. George (Ms. Fish), and I was struck and impressed and interested that those two members, in their own way, are in the exact tradition of the former member for St. George, who always had the courage to stand in the House to introduce the bill to provide that sexual orientation would be included as one of the prohibited grounds of discrimination.

It is interesting that the member for Hamilton Centre in a sense is a successor to the member for St. George, being in the same party, and it is interesting that the member of the Conservative Party is in the same tradition a successor to the former member for St. George, because she now represents the riding of St. George in this House. I commend them for saying they want to have the matter dealt with in committee and, if necessary, on the floor of this House so we can find out where we stand on this fundamental extension of a civil libertarian requirement.

We are under no illusion about the difficulty with respect to this matter. Our position has been very clear at all times. We hold that it is an extension of a civil liberty without which there would be continuing discrimination in society. On that simple ground our party will propose the amendment or will support the amendment, depending on how it comes up before the committee.

We have had people ask us why we did not say so on Bill 209. That was very simple, very straightforward. There was nobody out there anywhere listening to what we would have said. Our position would have been totally distorted in the atmosphere that existed and was created in the period leading up to and immediately after the municipal elections in Metropolitan

Toronto and subsequently during the provincial election campaign. Our sane, sober, reasoned voice would have been totally lost.

The question is of immense concern to us, given the sense of concern that so many people expressed at the time of the raids by the police on the bathhouses. We have never taken any position on those raids. We believe those are matters that will have to be worked out in the processes of the court. We shared certain concerns, which I think many citizens did.

Our assessment had been that if anyone would have listened and would not have distorted our position we would have taken the same position earlier in the debate on this matter. When we propose or support the amendment for sexual orientation as one of the prohibited grounds of discrimination—on the sole ground of civil liberties—it will have to take place not only in section 1 of the bill but also, as I understand it, in sections 2, 3, 4 and 5.

If I could move on to the next area, we want the minister to seriously consider the deletion in section 6 of the bill of the word "persistent" in the sexual solicitation provision. We think where one person is in a position of authority over another there is no solid reason why there must be some form of persistent conduct to protect the subordinate person against that kind of solicitation.

We welcome the introduction of the bill, but we think the question of the authoritarian relationship between a superior and a subordinate should in itself be sufficient warning that any sexual solicitation, as spelled out in the remainder of that clause of section 6 of the bill, would of itself be a breach of the statute. I think it would be a significant warning that people in authority cannot use their position of authority for that kind of purpose. I think there is a great deal of merit in a reconsideration by the ministry of the deletion of that term.

I just want to make that very simple distinction. We are not talking here about fellow employees or co-equals. This clause in the bill deals with the position of superior and subordinate.

**12:30 p.m.**

My colleague the member for Scarborough West raised the anomaly in the definition of age, and it did appear to us to be a drafting error of significant proportions. I checked the bill to see whether there was some way in which my concern could be allayed and that perhaps it was not a drafting error. But it is now quite clear



to me that, as stated, "9. In part I and in this part (a) 'age' means an age that is 18 years or more and less than 65 years."

Just to use one clause that struck me clearly, when one then looks at section 2(2) of the bill, one finds that a person may not be harassed by his landlord or agent because of his age. Then one looks at the definition of age and finds that age is limited to between the ages of 18 and 65, and one says to oneself, "Well, I guess I am protected against harassment as long as I am 65 or under, but the moment I become 66 I fail to have the protection of the code."

I say with great humility that it seems to me the definition of age perhaps requires a redefinition. We attempted to make that redefinition for a substantive reason. Our suggestion is that age should mean an age that is 18 years or more and, for the purposes of section 4(1) only, less than 65 years. Of course, that is in relation to employment. It looked to us as though that was the appropriate point at which the 65 years should be addressed.

Let me be clear, the question of mandatory retirement is a question that is open and is being discussed. In this caucus we do not have a position on that.

**Hon. Mr. Leluk:** You voted against my bill.

**Mr. Renwick:** With great respect to the minister, I do not recall the incident, and it was certainly not our intention to foreclose the discussion on the question of mandatory retirement. Our position was that there are arguments on both sides that need to be sorted out and dealt with. I do not think we should delay the process of this bill to settle that question, which is going to take a great deal of consultation elsewhere.

We and, I am sure, the members of each of the caucuses had the benefit of a brief aide-mémoire statement or help from the legislative library research on some of the aspects and arguments pro and con of the mandatory retirement argument, those that were considered in this particular memorandum to have relevance and others that were not. It helped a great deal to sort that out.

I did want to say that, apart from what appears to us to be the drafting error about the definition of age, it raises that substantive question. I did want the minister to know this caucus is not in a position to state our policy with respect to the mandatory retirement argument. Therefore, we think that at this point in the bill, because of the processes of policy formation within our party and the extensive

consultations that must take place, we must maintain this 65 years of age, which is tantamount to saying, as the Minister for Correctional Services (Mr. Leluk) said, that at this point the 65 years of age should be maintained, but we are quite open to the discussion that must take place surrounding that difficult question.

In connection with affirmative action or what are called special programs under section 14, I do not understand why the authority of the commission should be excluded with respect to "a special program implemented by the crown or an agency of the crown." There is a clear provision in there that the commission can take certain initiatives, can do certain things. But then when we come down to the affirmative actions of the affirmative programs of the government, we find the government has decided it is to be free and clear of the commission. We would urge the deletion of section 14(5) of the bill.

I would now move to the question of insurance in section 20 of the bill. To raise the matter, we in our caucus have agreed we want to move an amendment that would delete section 20 from the bill completely. I think it is absolutely essential that the committee of the assembly that is going to look at this bill should listen with very open-minded concern about the role of the use of otherwise-prohibited grounds of discrimination for the purposes of establishing rate classifications for automobile insurance and life insurance and perhaps with other ramifications.

I want to point out as clearly as I can to the minister that I trust his ministry will look at the reports of the select committee dealing with automobile insurance and with life insurance. There are a number of concerns involved in it. In relation to automobile insurance it is clear our committee was very impressed with, and wanted to see in this province, the elimination of age, sex and marital status as criteria upon which the rates for automobile insurance would be established. The reasons are given in our report. They are available to be considered.

The minister will also recall that the former Minister of Consumer and Commercial Relations, the member for Scarborough Centre (Mr. Drea), grandstanded this particular issue and then had to climb down because the former minister was not able to withstand—no minister of the Conservative government holding that portfolio is able to withstand—the combined lobby of the insurance industry.



The Minister of Labour (Mr. Elgie) will recall that his colleague the member for Scarborough Centre, in August 1979 startled the industry with the unexpected request that it devise an alternative system that does not penalize individuals on the basis of age, sex and marital status. The minister will remember that he grandstanded the issue. The industry would have to have very solid reasons before he backed down from that position. Well, we did not hear very much more about it. As far as we can understand it, the insurance industry is thinking about making some kind of a proposal during 1981 about this issue.

I make my first point on automobile insurance, but it will apply again and then I will not have to repeat it. I think it is wrong to have questions of prohibited grounds of discrimination related to insurance dealt with in the Insurance Act and not in the human rights code. There are some minor provisions in the Insurance Act dealing with some of these matters. The superintendent of insurance of this province and those in charge of the regulation of the insurance industry in this province, for whom I have immense respect, are not the people who should decide whether a person is being discriminated against in relation to the rates and classification they are placed in for the purposes of insurance.

Let me make the second point: As far as life insurance is concerned, there has been a considerable amount of discussion about whether or not on public policy social grounds—I am not talking about actuarial grounds—there should be any distinction between men and women for the purpose of life insurance or for the purposes of annuity contracts. Again, I refer the minister to the report of the select committee dealing with this matter.

**12:40 p.m.**

There is no question that the distinction made between the sexes on the basis of longevity or life experience is actuarially all right; we said so. But the time has come in this province—and there are certain things which are very apt that need to be said on this issue—that as a matter of public policy it should no longer be so. I want the minister to give consideration to it, because we would like to have an informed, intelligent discussion of that matter when it comes before us.

Let me make a third point in connection with the insurance one. I was struck and upset and concerned on that committee to find the extent to which, without any actuarial basis, we are

requiring people with medical impairments of one kind or another, or what are called in the International Year of Disabled Persons “disabilities that people have,” to pay extra premiums—people who are rated substandard and therefore have to pay extra premiums for their insurance.

I think it is essential that the commission be given the authority to say, “Yes, you can support discrimination on premiums to be charged to people with disabilities if and only if it is on an actuarially sound basis.” The recommendation of the committee was that the life insurance industry must start from the premise that everyone is a standard risk, and must only rate a person as substandard or deny coverage on the basis of personal risk characteristics if those characteristics can be proved to require systematically that an extra premium be assessed.

In appendix E to the report there was a list of a number of disabilities that have resulted in the charging of extra premiums to disabled persons because of their disabilities. Perhaps I should put on the record, if I can locate the particular appendix, some of the grounds on which risks were rated as substandard. I know the Minister of Labour will be interested: gout was one of them. Deafness was a ground for a substandard rating, as were blindness, deaf-mutism, insanity, cleft palate, crippling disablement—lameness or limp—spinal deformity, mentality subnormal, and mongolism.

They list a number of others; I am not going to read the complete list. I simply say, not just because it is the International Year of Disabled Persons, although that is a very important reason for dealing with it, that there has to be an outside agency of the status of the Ontario Human Rights Commission to look at the question of traditional discrimination against people by the insurance industry in its rating classifications for life insurance. I think it is a matter of immense concern.

The position of our caucus is that this is not a function that should be left in a separate cubicle with the superintendent of insurance under something called the Insurance Act. We have to understand that and we have to be clear about it. I would hope the minister would seriously ask his advisers to look at the proposition of transferring the discriminatory-nondiscriminatory language of the Insurance Act into the Ontario Human Rights Code and dealing with it on a separate basis, and letting the insurance industry justify its position to the world, if it can, only on actuarial grounds.

I want to turn now briefly to the functions of



the commission on section 26 of the bill. The functions of the commission are listed. I need only say they are circumscribed and I hoped the amendment I proposed originally would allow some lessening of the limited restrictions that are placed on the exercise by the commission of its authority.

Let me use just one example, Mr. Speaker. We think of the human rights commission as an agency for the correction of public attitudes by way of education, studies and that kind of thing. Let me just read the function: "To develop and conduct programs of public information and education and direct and encourage research designed to eliminate discriminatory practices that infringe rights under the act."

That is all they can do. If it were to turn out, for example, that the question of sexual orientation were not included in the bill as finally passed by this assembly, there is no authority for the assembly to do anything in analysing or researching or doing something about public understanding of the questions that are involved in the gay rights concerns which are expressed pro and con in this society at the present time.

Just as important to us, if not more important, is the question of affirmative action programs. We think the commission must have the backup authority to order an affirmative action program. I emphasize the word "backup." It has to be seen that this commission is—by suggestion, by recommendation, by discussion, by persuasion—going to try to get affirmative action programs introduced. But when the time has come that they think they have to take affirmative action, we think that in addition to recommending, the commission should have the authority to order the introduction and implementation of the special plans or affirmative action programs.

It raises a big question, I know, that must be discussed, but I want the minister to be absolutely clear about the reasons he will not give the commission that authority if he persists in that view.

I had the opportunity to discuss this bill with some people who were very interested, not in the affirmative action program as such, but about the problem of clogging up the commission with its complaints procedure. How do you solve that problem? Do you solve it by adding extra appeal provisions? Do you solve it by some multiplication of opportunities for the complaints to be heard? We felt you cannot do that; it would just bog it down more in the problems it has.

But affirmative action programs offer a way out. Instead of a one-on-one complaint against an individual employer or fellow employee or landlord, there may well be circumstances where an affirmative action program instituted in a given place will eliminate a large number of complaints. It would clearly signal to other people in the same circumstances in the community that this was not an acceptable basis and it would do a great deal to relieve the case load on the commission. We think that is an important and valuable new thrust of work for the commission. I hope the minister would consent, in reconsidering that, to deal with it in that way.

We also think, in regard to compliance in government contracts, that the commission should have authority in appropriate circumstances to require the contractor working with the government to file with the commission an appropriate affirmative action program to make certain there will be compliance. We also think it would be advisable in most instances to give the commission authority to monitor compliance by the government contractor. Otherwise, I am afraid the compliance provision in the contracts will again be left entirely up to some individual to see whether he has a right to complain in some way under the code.

**12:50 p.m.**

I get no sense that the Ministry of Labour is going to assume the responsibility, and no other ministry of government is going to accept the responsibility, of monitoring the compliance by government contractors with the provisions of the human rights code, even if it is incorporated by reference, as it is, into each and every contract entered into by the province in the carrying out of its work.

I have half a dozen other items but I am not going to delay the House with them. I just want to note them and itemize them for the benefit of the minister so he can cover them.

We have not as yet resolved our consideration of the question of whether political beliefs should be included as a prohibited ground of discrimination. We were not thinking of ourselves; we were thinking of the Tory members. It would probably be advisable for them to have that in to protect themselves against discrimination because of the political beliefs they hold. It does seem to us that there are real problems with that, but one of these times I will try to indicate to the minister what our position is on that question.

On the question of the power of the commission to reconsider, I am delighted he took out



the dreadful words "final and binding" as he revised the bill. But the question is still there; the complainant does not have any real right except to file his complaint. From that time on, it is entirely in the hands of the commission as to what happens to his claim. It has been ameliorated by allowing a complainant with an adverse decision against him to ask the commission to reconsider, and farther down the road, if he is denied a board of inquiry, to ask the commission to reconsider.

In the reconsideration, will the minister give consideration to putting in the bill a provision that any panel of the board that has dealt with the original complaint must not deal with the reconsideration; that it must be a new panel to look at it the second time? It seems to me that would help someone. I did not want to get into the problem of saying, "He is having to appeal to somewhere else," and so on, because the guts of the human rights commission work and the values of the code over the years have been the extent and the degree to which there has been some speedy resolution of conflicting concerns on as an informal a basis as possible, but I hope the minister will consider that.

We have not solved the problem of the adults-only buildings as yet, but we will consider that. We certainly do not think the consent of the Attorney General (Mr. McMurtry) should be required to any prosecution. It is tough enough to get a justice of the peace in this province to accept a charge for prosecution under the code without adding the Attorney General as another roadblock to the prosecution of people. I do not know of a single solitary rationale that should put that obstacle in the path of a person who believes an offence has been committed and takes the normal process of going before a justice of the peace to see whether or not an information or a charge can be laid in connection with it.

The minister will clearly recall the application from my colleague the member for Sudbury East (Mr. Martel) raised in the assembly on a number of occasions. We have looked at the bill at considerable length and, as far as we can see, that point is not covered in the bill. The minister may think it is, and we would be glad to discuss it in committee, but that kind of application for employment should be totally prohibited and the commission should have the authority to deal with such questions.

Finally, I would like to ask the minister whether he will consider including in this code the provision that now stands in section 1(1) of

the present code: "No person shall publish or display or cause to be published or displayed or permit to be published or displayed any notice, sign, symbol, emblem or other representation indicating discrimination or an intention to discriminate against any person or any class of persons for any purpose because of the race, creed, colour, sex, marital status, nationality, ancestry or place of origin of such person or class of persons." I would like to understand why that clear-cut provision is not included in the present proposed revision of the code. At some point I trust the minister will reconsider.

Mr. Speaker, I trust we have signalled our major concerns of substance about the bill to the minister, that when the bill goes to committee we will have an opportunity to have an informed and reasonable discussion about our concerns, and that some of them will appeal to the minister and we will have some success in getting certain of those amendments, in any event, included in the bill.

**Mr. Sweeney:** Mr. Speaker, I am not quite sure what is going to happen, given the time here. I had remarks to make but they would certainly take more time than there is. I am sure the minister wants time to respond to many of the remarks that have been made. Could I have some direction as to where we are going with this, please?

**Mr. Speaker:** I would entertain a motion to adjourn the debate.

**Hon. Mr. Elgie:** On a point of order, Mr. Speaker: I quite appreciate the members of this House can determine the course they wish, but I had some view that there was an understanding that this debate would terminate today and the matter would be referred to committee. If that is not your wish, that is quite all right with me.

**Mr. Speaker:** I am not aware of any such understanding between the parties. I am not sure; does anybody have any direction or information?

**Hon. Mr. Elgie:** It was between the House leaders.

**Mr. Speaker:** I was not made aware of it.

**Mr. Stokes:** Mr. Speaker, it was my understanding that the House leaders felt it would likely continue on to another time.

**Mr. Speaker:** To continue on with the debate in the House?

**Mr. Stokes:** Yes, sir.

**Hon. Mr. Elgie:** That is not so.

**Mr. Speaker:** Mr. Sweeney?

On motion by Mr. Sweeney, the debate was adjourned.

**Hon. Mr. Gregory:** Mr. Speaker, on a point of order: It was my understanding from the government House leader, and I only have his word for it, of course, that there was an understanding that this would be finished by one o'clock and would be referred to the resources development committee for further debate.

**Mr. Cooke:** Mr. Speaker, if I remember correctly from the House leaders' meeting there was certainly no indication from any of the parties. In fact, in looking at the legislation for Tuesday night it was made fairly clear that if we were not finished the human rights code, we would finish it on Tuesday and go into the

Massey-Ferguson bill on Tuesday. We certainly cannot cut off the debate on such an important piece of legislation.

**Hon. Mr. Gregory:** Mr. Speaker, it was not my intention to cut off the debate. I am referring to a conversation just 20 minutes ago with my House leader. I was given to understand that there was an agreement.

Interjection.

**Hon. Mr. Gregory:** I am not making a federal case.

The House adjourned at 12:58 p.m.



## APPENDIX

ANSWERS TO QUESTIONS  
ON NOTICE PAPER

## GAS AND OIL WELLS

**74. Mr. Wildman:** Will the Ministry of Energy table the following information: the total number of producing and capped oil wells and natural gas wells in Ontario; the total number of barrels of oil produced in Ontario; the total number of cubic feet of natural gas produced in Ontario; the total number of new oil and natural gas wells brought into production in the last 10 years? (May 4, 1981.)

**Hon. Mr. Welch:** (a) Total number of producing and capped oil wells and natural gas wells in Ontario, as of December 31, 1980:

Gas wells — active, 1,046; suspended 309.

Oil wells — active, 702; suspended 261.

(b) Total number of barrels of oil produced in Ontario for calendar year 1980 — 685,590 (US barrels).

(c) Total number of cubic feet of natural gas produced in Ontario for calendar year 1980 — 15.5 billion cubic feet.

(d) Total number of new oil and natural gas wells brought into production in the last 10 years, gas wells — 740; oil wells 87.

## WORKMEN'S COMPENSATION

**75. Mr. Di Santo:** Will the Ministry of Labour table the following information? 1. How many injured workers have been placed through the rehabilitation department of the WCB in the private and in the public sector? 2. What is the total amount of wage supplementation? 3. What is the length of employment? 4. How many workers have been dismissed once the wage supplementation ceased? 5. How many injured workers have been hired by the WCB and for how long have they been employed? 6. Can the ministry supply comparable figures for 1979, 1980 and the first four months of 1981? (May 5, 1981.)

**Hon. Mr. Elgie:** Following are the responses in the same sequence as they have been asked in the question:

1. In 1979, 2,911 injured workers were placed back to gainful employment through the rehabilitation division, both in the private and public sectors.

In 1980, 2,805 rehabilitation workers were

returned to the work force. Due to reorganization and new work methods, the board has been successful in placing in the private and public sectors 1,434 rehabilitated employees to date in 1981.

2. Although there is no readily available data on this question, the information the board has obtained from injured employees who have successfully completed on-the-job training programs does not suggest in any way that termination of the board's "subsidy" to an employer has contributed to or resulted in the termination of the injured worker's employment.

3. Again, once an injured worker's file has been closed as "successfully rehabilitated and employed," the board does not follow his future employment course. It should be noted, however, that the Workmen's Compensation Board takes great care in placing the injured worker with a suitable employer; however, should the worker not be suitable, or be laid off for any reason, he has the right to request further assistance with the vocational rehabilitation division.

4. The board has no record of any employees being dismissed from their employment due to the stoppage of wage supplement.

5. In 1979 the Workmen's Compensation Board hired 17 rehabilitated employees, of which 11 are still employed. In 1980 seven rehabilitated workers were hired and all are continuing, and in 1981 to the end of April, six individuals have been hired and all are still Workmen's Compensation Board employees.

6. Where available comparable figures for 1979, 1980 and the first four months of 1981 have been supplied in the answers above.

## HYDRO STATION EMISSIONS

**77. Mr. Kerrio:** Would the Minister of the Environment provide the following information with respect to O. Reg. 73/81 pertaining to the control order on emissions of sulphur dioxide and nitrogen oxide from Ontario Hydro generating stations: 1. the level of SO<sub>2</sub> emissions each year from 1981 to 1990; 2. the level of nitrogen oxide emissions each year from 1981 to 1990; 3. the expenditures to be made by Ontario Hydro as related to this regulation for each year from 1981 to 1990; 4. the type and nature of abatement equipment to be installed, what year the equipment will be installed, and at which

specific Ontario Hydro installations will it be installed? (May 5, 1981.)

**Hon. Mr. Norton:** 1 and 2. The forecast level of emissions on an annual basis for SO<sub>2</sub> and NO<sub>x</sub> for 1981-90 are not available since they are dependent upon such factors as primary demand, purchases exports, hydro-electric and nuclear production, coal quality and quantity, however estimated emissions for the critical years are shown in the following table:

#### EXPRESSED IN METRIC TONNES

	SO <sub>2</sub>	NO <sub>x</sub>	Total acid gas (585,000)
1981	509,000	76,000	560,000-609,000*
1985	390,000	60,000	450,000
1990	260,000	40,000	300,000**

\*Estimate

\*\*Required by Regulation

3. At present, the total cost is estimated at \$500 million; \$30 million will be spent by 1985 and \$90 million annually in the latter part of the decade.

4. The specific type and nature of all the abatement equipment will be determined in design work which is currently under way. However, it is possible to state that low NO<sub>x</sub> burners and flue gas desulphurization units will be installed. The specific locations for scrubber installation will be determined in the design stage. The low NO<sub>x</sub> burners will be installed at Nanticoke, Lambton and Lakeview.

The timing of installation will be determined by the time required for design, engineering and environmental assessment.

#### MORTGAGE BROKERS

**78. Mr. Bradley:** Would the Minister of Consumer and Commercial Relations provide a list of all mortgage brokers currently licensed by the Registrar of Mortgage Brokers in Ontario, and indicate the name of the individual or company, its address and, if possible, its telephone number? (May 6, 1981.)

See sessional paper 68.

#### AUTO INDUSTRY REPORT

**79. Mr. Cooke:** Would the provincial treasurer table pages 68 to 91 inclusive of the report entitled The 1985 Shape of the Ontario Motor Vehicle Industry, authored by the economic development branch, office of economic policy, Ministry of Treasury and Economics? If it is

the position of the ministry that this portion of the report must remain secret, would the ministry table the legal opinion supporting this position? (May 8, 1981.)

**Hon. F. S. Miller:** As Treasurer of Ontario I am not in a position to table pages 68 to 91 inclusive of the report entitled The 1985 Shape of the Ontario Motor Vehicle Industry.

It is my position that I am prohibited by reason of the confidentiality provisions of the Statistics Act (Canada) from tabling this statistical information which was extracted from the report. Disclosure of this information is still contrary to the Statistics Act (Canada) and disclosure of it in contravention of the Act would subject me to penalties and the possibility that Statistics Canada would cancel the joint collection and sharing agreements it now has with Ontario.

#### TAX GRANT PROGRAM

**80. Mr. R. F. Johnston:** Would the Minister table in the House the number of visits to the residences of individual senior citizens which have been made by auditors of the Ministry of Revenue following up property tax grant overpayments since the inception of the program. (May 8, 1981.)

**Hon. Mr. Ashe:** The Ontario tax grant program is a relatively new one and accordingly the audit activity is still at the preliminary stage. Since this recent commencement of reviews, auditors of my ministry have to date conducted 131 home visits under this program.

However, I wish to emphasize that the procedure for contacting individuals in person requires that the auditor first telephone the recipient to make an appointment. Where telephone contact cannot be made, the auditor writes to the recipient to explain the situation. Of course, if contact cannot be made by either telephone or letter, then personal visits are the only recourse we have.

The visits in question were in fact a follow-up to previous correspondence with seniors and following telephone calls to them were possible. To date the individuals contacted have been residents in institutions. In addition, prior contact was also made with the administrator of the institution, whose co-operation was obtained and whose advice was followed. In some cases the administrator advised the institution residents beforehand of the calls to be made by the



ministry. In other cases, the administrator accompanied the auditor on his visits to the residents.

### CONVERSION TO CONDOMINIUMS

**81. Mr. Philip:** Would the ministry provide any statements of policy it has made on conversion of rental units to condominium units? How many rental units by community were taken out of the rental market for such conversion in 1980-81? What is the estimate of the number of units, by community which will be vacated for such conversions in 1981-82? How many municipalities regulate such conversions by bylaw or other means? Kindly provide a list of these municipalities. Is there any prohibition or restriction respecting such conversions attached to the subsidy agreements with developers under the Ontario rental construction loan program? (May 8, 1981.)

**Hon. Mr. Bennett:** In 1974, the Ministry of Housing indicated that conversions of residential rental units to condominium would not be permitted. At the end of that year, the ministry advised municipalities in which applications for conversion to condominium were being made that approval of these applications would be considered where the municipality was satisfied with its review of the following three factors.

1. The overall mix of rental accommodation in the municipality, compared with owner-occupied units both freehold and condominium;
2. The availability of similar rental units in the general neighbourhood for those displaced by the conversion; and
3. The vacancy rate of rental accommodation across the municipality.

This remains my ministry's position on the conversion of rental residential units to condominium.

Attached is a summary of the conversions from rental residential units to condominium I approved in 1980 and 1981 to date. Draft approval is approval in principle while final approval means the condominium is actually registered. The state of approval is shown because even after receiving draft approval, some proposals are abandoned and would not result in units being removed from rental residential stock.

The summary also shows the number of residential units contained in application to

convert from rental to condominium pending before my ministry. Given current economic situations, there is no reliable means of stating how many of these units will be registered in approved condominiums in 1981-82 or how many more applications for conversions will be received.

I have delegated my authority to approve plans of condominium to eight regional municipalities with a ninth, Halton region, to receive this authority May 15. My ministry's preliminary review resulted in the attached summary of conversions from rental residential units to condominium in 1980 and 1981 in the delegated regions. This summary also includes the number of residential units contained in applications to convert from rental to condominium pending before the delegated regions.

If you want my ministry to write these regions to request written confirmation of this data, please advise me. As with the units included in applications to convert from rental residential to condominium pending before my ministry, economic conditions preclude any meaningful estimate of how many of these units will be registered in approved condominiums in 1981-82 or how many more applications for conversion will be received.

A preliminary list of municipalities with policies regulating conversion of rental residential units to condominium is also attached. Where I have approved a policy as part of the official plan, this is indicated. Where such policies are in official plan documents pending approval or where my ministry is aware of conversion policies endorsed by the municipality but not in the official plan, this is indicated. As with the data described earlier, if you want my ministry to write to municipalities to confirm this information, please advise me.

Residential condominium projects of all types are excluded from the Ontario rental construction loan program. Should conversion to condominium be attempted any time after Ontario rental construction loan program funds are disbursed, Ontario Mortgage Corporation would require payment in full of any amount owing before such conversion could proceed.

The ministry of Intergovernmental Affairs has been contacted and has no additional comments.

**Minister's Files 1980-81**

<b>Municipality</b>	<b>Number of units draft approved</b>	<b>Number of units final approved</b>	<b>Number of units in pending applications</b>
Grey County			
Collingwood	38	16	—
Meaford	—	—	9
Frontenac county			
Kingston	131	86	—
Hastings county			
Belleville	—	39	—
Essex county			
Windsor	31	—	—
Essex	—	24	—
Amherstburg	52	—	—
Lambton county			
Sarnia	143	24	—
Sarnia township	87	—	—
Middlesex county			
London	185	120	45
Halton region			
Burlington	68	52	314
Halton Hills	—	96	—
Simcoe county			
Barrie	—	119	—
Algoma district			
Sault Ste. Marie	—	—	18
Niagara			
Fort Erie	—	—	100
Thunder Bay			
Thunder Bay	—	—	54
Wellington			
Guelph	—	—	35
York region			
Richmond Hill	—	—	53
Sudbury			
Curtin	—	—	15
Total	735	576	643

**Delegated files with regions**

<b>Municipality</b>	<b>Number of units draft approved</b>	<b>Number of units final approved</b>	<b>Number of units in pending applications</b>
Metropolitan			
Toronto			
Scarborough	151	—	—
Toronto	31	—	—
Etobicoke	—	—	240
Hamilton-Wentworth			
Hamilton	—	101	—



## Delegated files with regions, cont'd. —

Municipality	Number of units draft approved	Number of units final approved	Number of units in pending applications
Peel region			
Mississauga	—	—	145
Brampton	—	—	183
Waterloo region			
Kitchener	—	—	44
Total	182	101	612

## Municipalities regulating conversion to condominium

Approved official plans	Other means
Halton region	Oakville
Etobicoke	Milton
	Mississauga
	Brampton
	Guelph
	Barrie (city)
	Orillia (city)
	Waterloo (city)
	Cambridge
	Kitchener (city)
	Durham (region)
	Sudbury (city)
	Thunder Bay (city)
	Ottawa-Carleton (region)
	Ottawa (city)
	Gloucester

## HOTEL VIOLATIONS

**86. Mr. Breagh:** Will the Solicitor General table the list of 75 Metro Toronto hotels who are currently in violation of municipal or provincial fire building and/or liquor licensing regulations? (May 8, 1981.)

**Hon. Mr. McMurtry:** Thirty-four defect notices have been issued by the Toronto Fire Department against 33 hotels. Two notices of proposal to suspend liquor licences have been issued by the Liquor Licence Board of Ontario against two hotels. We have no information concerning the other 41 hotels noted in the Question.

The other hotels have co-operated, I understand, in meeting the reports on their violations. It would therefore seem inappropriate to name them when they are not now in default. In addition, names of these hotels have not at this time been made available to me as the investigations have been made pursuant to a municipal bylaw.

## INTERIM ANSWERS

**65. Mr. McClellan:** The information requested will be forthcoming at or about mid-June — Hon. Mr. Crossman.

**82, 84, 85, 87, 88, 89. Mr. Breagh:** Additional time is required to answer this question. The information will be available on or about June 15, 1981 — Hon. Mr. McMurtry.

**83. Mr. Breagh:** The information requested is currently being compiled by officials of this ministry. We shall be in a position to table our response on or before June 15, 1981 — Hon. Mr. McMurtry.

**92. Mr. T.P. Reid:** The ministry will require additional time to assemble the information required by this question. The answer should be available around mid-June 1981 — Hon. Mr. McCague.

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Cassidy, M. (Ottawa Centre NDP)  
Cooke, D. S. (Windsor-Riverside NDP)  
Davis, Hon. W. G.; Premier (Brampton PC)  
Eakins, J. F. (Victoria-Haliburton L)  
Eaton, R. G. (Middlesex PC)  
Elgie, Hon. R. G.; Minister of Labour (York East PC)  
Foulds, J. F. (Port Arthur NDP)  
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)  
Haggerty, R. (Erie L)  
Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)  
Leluk, Hon. N. G.; Minister of Correctional Services (York West PC)  
MacDonald, D. C. (York South NDP)  
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(York Mills PC)  
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Swart, M. L. (Welland-Thorold NDP)  
Sweeney, J. (Kitchener-Wilmot L)  
Turner, Hon. J. M.; Speaker (Peterborough PC)  
Van Horne, R. G. (London North L)









No. 27

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**  
Monday, May 25, 1981

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Monday, May 25, 1981

The House met at 2 p.m.

Prayers.

## TRIBUTES TO DAVID LEWIS

**Mr. Smith:** Mr. Speaker, I know all three leaders will want to rise in the House and pay tribute to the late David Lewis. It was my understanding that both the other leaders were going to be later than they are, but they are both here a little earlier than I was led to believe they would arrive. In deference, I will wait for the Premier to make his comments and I will be happy to add mine afterwards.

**Hon. Mr. Davis:** Mr. Speaker, it grieves me greatly to note, on behalf of the government and on behalf of all members, the sad and untimely passing of David Lewis, former leader of the New Democratic Party of Canada.

Born in Poland in 1909, David Lewis came to this country and built through his own hard work, commitment and determination a career of service to all Canadians and to the cause of democratic socialism in which he so deeply believed. A lawyer, Mr. Lewis served as national secretary, national vice-chairman, national chairman and national president of the Co-operative Commonwealth Federation between the years 1936 and 1961. He served as a federal vice-president of the New Democratic Party before being elected to the Parliament of our country and to the leadership of the party he served so long.

First elected to the House of Commons in 1962 and re-elected in 1965 and 1968 and again in 1972, he also knew his share of defeats in the many elections where he contested a constituency on behalf of the CCF and NDP. I do not rise in my place to merely indicate officially our government's sadness at his passing. David Lewis spoke for a vision of this country that was essentially humanitarian and decent. He spoke eloquently, with unlimited courage and heart, for a society of social justice, security, tolerance and decency within which personal opportunity and freedom could be enjoyed by all.

What we have lost in this country is a man who had the courage of his convictions; a man who rode the train in the 1930s and 1940s from coast to coast and from town to town, cam-

paigning for causes in which he most deeply believed, with no remuneration, without thought for his own comfort or wellbeing. We have lost a man who humanized politics for many of us despite our fundamental differences of opinion over the best means by which to achieve commonly shared goals.

The product of working-class immigrant Canadians, a Rhodes scholar and a legal scholar of unparalleled ability and skill, a member of Parliament, a tireless political partisan, a committed social democrat, national leader of his political party, David Lewis symbolized through every stage of his life the opportunity that this country provides for all of those who are prepared to pursue it and the will which we all share to improve not only our own circumstances but also, more important, the lot and opportunities of our fellow citizens.

I know I express the most sincere and heartfelt sympathy of all in this House when I say to his devoted wife, Sophie, to his children and grandchildren, and particularly to his son and our former colleague in this House, Stephen, how deeply we all share the profound loss which they now must face.

The people of Ontario share with me, as they do with every member of this House, a profound sense of loss with the passing of a great Canadian, a committed social democrat and a citizen for whom the welfare of his fellow citizens was by far the greatest concern.

**Mr. Smith:** Mr. Speaker, all of us feel the same sense of loss which the Premier has expressed on behalf of the government and the people of Ontario at the passing of David Lewis.

I remember the first time I ever heard of David Lewis was when I was a university student and my father told me of this person, whom he had regarded as a hero, who used to debate at McGill and to stand up for left-wing causes in centres where they were not particularly popular and who, generally speaking, used to come out on the winning side because of his silver-tongued oratory, his great wit and his combination of intelligence and human compassion.

I feel that Canada has had very few people over the years in public life who combined that sense of merriment, that ability to put things in



plain terms and that sense of dedication which allowed David to come from times that were very difficult, when they used to have to meet in basements in Montreal and elsewhere, eventually to the point where he was able to succeed not only in being elected but also in leading his party to a very substantial number of seats in the federal House. Almost all the ideas that David Lewis stood for have been incorporated one way or another by parties of various political stripes. I think it is fair to say that his influence will continue to be felt for many years to come.

All of us knew Stephen, of course, and all of us want to send our very heartfelt personal condolences to him, to the other members of the family, and to Sophie. I think for the most part we did not know that David Lewis was suffering from leukaemia, and his death was quite a shock to us all, in addition to being a very grave tragedy and disappointment.

All we can say at a time like this is that we can only be grateful that our country had the benefit of the life of David Lewis and his ideas and his spark and his humanity. We are thankful that he was with us, and we are deeply sorry at his death. We send our very deepest feelings of sympathy and most sincere condolences to his entire family, who must be not only sad but also very proud of the contribution that David Lewis has made to this country.

**Mr. Cassidy:** Mr. Speaker, the news of David Lewis's death came as a shock to everybody in this Legislature and to everybody within the New Democratic Party across this province. I too would like to say some words of tribute to a man who was a towering figure in the political life of our country.

The role he played within the New Democratic Party and in the formation of the New Democratic Party, and in the Co-operative Commonwealth Federation before that, was one that absolutely could not have been replaced in terms of the contribution of the party, which to such a degree he helped to mould, towards bettering life for average Canadians by seeing that this country got such great social programs as medicare, the postwar welfare legislation and hospital insurance.

**2.10 p.m.**

That contribution is in large measure due to the fact that, although J. S. Woodsworth provided the original inspiration for the Co-operative Commonwealth Federation, it was David Lewis who, beginning 35 years ago when he became the national secretary of our party,

was the man who provided the energy, the drive and the determination, and who held together a fledgling party, which at that time was often threatened with extinction but which survived in large degree because of the willpower that he brought to it.

David Lewis's role in the history of our country still remains to be written. It is one of my personal regrets that David Lewis's own account, his autobiography, was only half finished at the time of his death. He had written of some of the early years but had intended to write more in his time at Carleton University; now, alas, that will not take place.

His role in helping the labour movement come together in the formation of the Canadian Labour Congress, his role in the creation of the New Democratic Party out of the ashes of the Co-operative Commonwealth Federation, his role in taking on the leadership of his party and then his leadership of the party at the moment of its greatest triumph in 1972—all of those are a tribute to his skills as a politician and to his humanity and his capacities of leadership in the many roles that he had within the party and within the country.

But there was more to it than that, because in David Lewis the working people of this country had a champion; a man who was determined to fight for social justice, to fight for the principles of social democracy, to fight for the principles that were embodied in the Regina Manifesto of the CCF, which was adopted back at the founding of our party; and a man who was prepared to put the demands and the needs of his countrymen and of his party ahead of his own personal comfort or his own personal career and did so for so many years of the life that he spent here in Canada.

On a personal level, so many of us within the NDP owe a tremendous debt of gratitude to David Lewis. He was oftentimes our counsellor, a friend, a man who was prepared to provide support, advice and reassurance at times when things seemed a bit daunting, who had known defeat himself but was therefore able to talk and provide inspiration to us and the party as we fought for the ideals that he had fought for during so many years.

David Lewis was never a member of this Legislature, but I think that in spirit he was a member here because of the very close relationship that existed between David Lewis and Stephen Lewis. The very close contact between the two of them meant that David probably



knew what went on in this Legislature better in many cases than did some members of the Legislature itself.

On a personal level, all of our hearts reach out to Sophie Lewis, to Stephen, to Michael, to Janet, to Nina, to all the Lewis family. It is a tragic loss; it is a death that comes as a shock to us all. We had all hoped, we had all expected, that David Lewis had many more fruitful years ahead of him. It is hard to think of the party or the country without David Lewis as a social conscience, David Lewis continuing to provide leadership, David Lewis as a link to difficult years in our past, and David Lewis as a beacon leading on into a future for our country based on the principles of social democracy, based on the social justice for which he fought all his life.

#### NONAPPEARANCE OF MINISTRY OFFICIALS

**Mr. Speaker:** On Thursday and Friday of last week several matters were raised that I agreed to take under consideration. First, there was the point raised by Mr. T. P. Reid, Rainy River, who raised what he considered to be a matter of privilege—perhaps more properly a contempt of the House—relating to the nonappearance of two public servants whose appearance was requested by the public accounts committee.

I was asked to look into this matter and to report back to the House. I must point out again, as previous Speakers have done, that it is this House which must deal with such questions, and not the Speaker.

#### POINTS OF ORDER AND PRIVILEGE

**Mr. Speaker:** The problem of what constitutes a valid matter of privilege or a valid point of order seems still to be causing some confusion. Many members feel that if they are aggrieved by another member in the House they should rise on a point of privilege. While this may constitute a point of order, it is certainly not a matter of privilege.

If the words complained of offend any of the rules or precedents relating to order, then it is a valid point of order which must be raised immediately and not at a later date. If it is something that is genuinely out of order according to the rules of the House and not simply used as a method of gaining the floor, standing order 19(d) contains a list of actions which have been held to be out of order in debate. This list is not all-inclusive, but it does set out the most glaring breaches of order, such as making allegations against another member, imputing false or

unavowed motives to another member, charging another member with uttering a deliberate falsehood or using abusive or insulting language of a nature likely to create disorder.

Privilege is entirely different, as a breach must affect one of the privileges of Parliament and its members. I direct the attention of the members to definitions of privilege in standing order 18(a) and in the nineteenth edition of May's Parliamentary Practice.

Standing order 18(a) defines privilege as follows: "Privileges are the rights enjoyed by the House collectively and by the members of the House individually conferred by the Legislative Assembly Act and other statutes, or by practice, precedents, usage and custom."

May's Parliamentary Practice, nineteenth edition, reads in part as follows: "Parliamentary privilege is the sum of the peculiar rights enjoyed by each House, collectively as a constituent part of the high court of Parliament and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exemption from ordinary laws. The particular privileges of the Commons have been defined as, 'The sum of the fundamental rights of the House and of its individual members as against the prerogatives of the crown, the authority of the ordinary courts of law and the special rights of the House of Lords.'"

Examples of breaches of privilege are:

1. If an action for slander were brought against a member for remarks made by him in the House; or

2. When a member raises a matter of privilege to correct a newspaper report in which he claims to have been misquoted.

In the latter case, he really seeks to set the matter straight and has no intention of moving a motion with respect thereto. The procedure of moving a motion to bring a newspaper writer or editor before the bar of the House is one which has not been made use of in any jurisdiction in the Commonwealth for many years.

#### PRIVATE MEMBERS' BILLS

**Mr. Speaker:** The second matter was raised by the leader of the New Democratic Party, who suggested that, in blocking the first reading of Mr. Philip's bill on Thursday, the party supporting the government was blocking a private member from bringing an item of business before the House and of participating in the private members' afternoon.



The vote on Thursday only decided that the bill would not be given introduction and first reading at that time and, in fact, it was introduced without objection on the following day, Friday. It is therefore obvious that the member is not blocked from bringing his business before the House; and he is certainly not prevented from participating in the consideration of the private members' business, as he may use the bill in question if and when its turn is reached on the ballot if he so wishes, or any one of the other numerous bills which he has already on the Order Paper.

Finally, I was asked to rule on whether Mr. Philip's bill constituted a money bill. I have examined it carefully and taken legal opinion and have come to the conclusion that, as the bill attempts to confer no power on the government which it did not already have and merely requests the government to exercise that power, it cannot be considered to direct an expenditure. In fact, it appears to me that, as it has no operational effect, it is of no more force than a resolution and might be more properly introduced as such, requesting the government to take the necessary action.

2:20 p.m.

#### STATEMENTS BY THE MINISTRY

##### GREAT LAKES/SEAWAY TASK FORCE REPORT

**Hon. Mr. Snow:** Mr. Speaker, I am pleased to inform the House that I have received the report of the Great Lakes/Seaway Task Force from its chairman, Mr. Ralph Misener. I will table three copies of the report with the Clerk at this time. Copies of the report are being made available to each member through the legislative post office this afternoon.

As you will recall, Mr. Speaker, the Great Lakes/Seaway Task Force was created last year to examine the existing state of Ontario's portion of the St. Lawrence Seaway system to formulate a fuller understanding of how this great natural resource can fulfil its potential as an integral component of Ontario's overall transportation system.

The report of the task force outlines the concerns and comments of many individuals associated with the marine mode and offers to the province background information and recommendations that will prove useful in future negotiations with the federal government, municipalities along the seaway and representatives from other jurisdictions.

While I have not yet had the opportunity to read the complete report, as I just received it about an hour ago, I am familiar with the broad policy areas explored by the task force, having met with them during their deliberations. I am therefore aware of their concerns relating to the limited capacity of the Welland Canal and that they are calling for a reassessment of environmental issues relating to the ports and waterways of the province.

The task force is also calling for the creation of an information program that will better inform the general public of the economic and industrial importance of the Great Lakes/Seaway system within the diversified transportation mix of our province.

Throughout their deliberations, task force members were well aware of the economic, environmental and fuel conservation issues affecting the transportation industry today. With this in mind, their approach within the terms of reference set up for the study has produced a document that not only considers a wide range of concerns but also clearly indicates Ontario must take a stronger stance on Great Lakes/Seaway policy.

The importance of marine transportation to Ontario cannot be overstated. For example, more than 60 million metric tons of raw materials, grains and other commodities were carried through the Welland Canal in 1980. This immense movement of goods and products not only is important to the industrial sector of the province but also provides a major contribution to the Canadian overseas balance of trade.

As members will recall, my ministry recently established a marine and pipeline office, which will be the focal point for the co-ordination and development of the recommendations contained in this report. Through this office, programs such as the upgrading and expansion of Ontario shipyards and a \$10-million annual investment in system improvements—programs outlined in detail in the Board of Industrial Leadership and Development program announced by the Premier (Mr. Davis) earlier this year—will be administered.

Once my senior ministry staff has had the opportunity to further review the report of the Great Lakes/Seaway Task Force, I will make a further statement on the direction that government policy will take towards the marine mode.

Finally, Mr. Speaker, I wish to note that we are honoured to have the chairman, Mr. Misener, and the members of his task force in your gallery this afternoon. I therefore want to take this



opportunity to express my appreciation, along with that of the government of Ontario, to Mr. Ralph Misener and members of his task force for the time and effort put into the research, preparation and production of this report.

I also wish to add that Mr. Misener, his task force members and the technical advisory committee will be available to answer questions relating to the report in the media studio at 3 p.m. today.

## ORAL QUESTIONS

### VAUGHAN TOWNSHIP LAND USE

**Mr. Smith:** Mr. Speaker, I have a question for the Minister of Agriculture and Food. Can the minister explain the very serious contradiction of policy between himself and the manager of the plans review section of his ministry?

I am referring, of course, to the Ontario Municipal Board hearing over the use of certain farm land in Vaughan township in which the plans review manager—the same Mr. Pinder who wrote most of the Foodlands Ontario guidelines—told the municipal board that the land in question should be preserved for agricultural purposes. At the same time the minister wrote a letter to the OMB urging them to rezone the land in favour of a number of real estate developers.

Why did the minister write the OMB with a position that was opposite to that held by the man who presumably had the most expertise in matters of this kind and who continued to hold his position in a day and a half of testimony even after seeing the letter written by the minister.

**Hon. Mr. Henderson:** Mr. Speaker, I do not have the file with me today. I believe the Leader of the Opposition is referring to a letter written maybe six months to a year ago, looking at an area of land that is not large enough to be an economic operation. The reason my letter went to the chairman of the OMB is as simple as that. If the honourable member will look at the land and the overall plan, instead of looking at the letters he thinks he has, he will find three or four small parcels of land that I suggested were not economic operations any longer.

**Mr. Smith:** The point is not whether I think these very large acreages would be economic as farms but that the expert within the minister's own ministry, whose job it is to know of these things, spent a lot of time looking at it and spent a day and a half testifying as to his opinion on the matter. The minister's own expert believed these lands ought to be preserved for the most

part as farm lands, and he continued to hold that opinion even after seeing the opinion of the minister was somewhat different.

In view of this, can the minister explain why he is now supporting an appeal to cabinet via his letter? Since the OMB agreed with the expert in the ministry, why is the minister now supporting an appeal to cabinet by the developer's lawyer? This man is very familiar to the Premier. He is his former friend and law partner, Ronald K. Webb of Davis and Webb of Brampton.

**Hon. Mr. Henderson:** This points out quite clearly that the minister does not interfere with his staff and any recommendations they want to make. My letter went forth; my staff were left there to give whatever evidence they wished. That was the letter from me.

**Mr. Swart:** Supplementary, Mr. Speaker: If the minister cannot interfere with his staff, at least he could have some discussion with one of his colleagues.

Is the minister aware that the plan originally had clauses for phasing of the use of that farm land, although not much of it was to be used? Is he also aware that the Minister of Housing (Mr. Bennett), now the proposed minister of municipal affairs and housing, deferred the phasing part of that plan and did not send it to the Ontario Municipal Board, although it had been requested? By the act he must refer it to the Ontario Municipal Board; it had been requested by APPEAL, the Association of Peel People Evaluating Agricultural Land, the group trying to preserve the agricultural land there, along with about 40 other items.

Can the minister find out for this House why the Minister of Housing did not follow the act and, like the Minister of Agriculture and Food, took the action to promote the use of that prime agricultural land for urban development?

**Hon. Mr. Henderson:** Mr. Speaker, it shows that the honourable member does not know the area. He does not know the situation as it actually happened.

**Mr. Smith:** Since more than one member of the minister's own ministry repeatedly examined that land in very great detail, and since the manager of the branch who wrote the food land guidelines continues to hold the view that the minister is dead wrong in his letter, which I understand was based on a brief visit to the site by the member for Elgin (Mr. McNeil), can the minister say whether one of the realities of March 19, now that we are back to majority government, is that we are back to the times



when friends of the government can make millions of dollars by means of a well-placed phone call by a well-placed person?

**Hon. Mr. Henderson:** It is easy to understand why that member is sitting over there. He does not want to face the real world. He does not want to see the facts come out. Again, we, as the government, let our staff make the decisions they wish and we, as ministers, make our decisions.

2:30 p.m.

### EDUCATION COMPRESSION

**Mr. Smith:** Mr. Speaker, I have a question for the Minister of Education. The minister is quoted in the *Toronto Star* of May 24 as making comments about reducing the 13 years of the curriculum to 12. She is quoted as saying: "What I have said publicly is that we could eliminate grade six or compress other areas of education."

Does the minister not think that it is immoral to give some opinion on the matter of compressing 13 grades into 12 since, when I asked her to give an opinion in this House on that very matter, she said she was unable to do so on grounds that it would be immoral to offer an opinion?

Can the minister explain why she refused to answer a question in this House on compressing 13 years into 12 but went out to another group outside this Legislature and spoke of the possibility of eliminating grade six?

**Hon. Miss Stephenson:** Mr. Speaker, the Leader of the Opposition asked whether I was in favour of eliminating grade 13. I have not made such a statement and I will not. The question I have asked repeatedly for two and a half years is whether the educational experience that these young people acquire during the period of time in which they complete their secondary school honour graduation diploma could be compressed, and I continue to ask that question. I do not know whether it is possible.

I am prepared to listen to reasonable presentations on the subject, but I continue to ask the question. And it was asked in the form of a question, although it may not have been quoted that way. I am sorry, but I do not read the *Sunday Star*.

**Mr. Smith:** The minister's reading abilities or choices notwithstanding, can I ask her either to deny that she made this statement or once again to explain the basis upon which she made the statement? Her statement is: "What I have said publicly is that we could eliminate grade six or compress other areas of education."

Since we on this side had suggested that very compression of 13 years into 12 and were greeted with the point that she could not offer a point of view on that matter, I ask again for the minister to explain when she said publicly that you could eliminate grade six or compress other areas of education, and why she could tell them that and not us.

**Hon. Miss Stephenson:** If the honourable member reads his question from some days ago in the Legislature, I think he will find that he asked whether I was personally in favour of eliminating grade 13. I reiterate that for the benefit of the slow learner across the House.

As I said, I have publicly asked on a number of occasions over the past two and a half years whether it would be possible to compress that period or whether it was necessary to retain that length of time. I said on Friday morning to a group of school trustees that I had publicly asked the question, "Is it possible to eliminate grade six? Is it possible to compress in other areas of the educational system?" That was precisely what I had asked earlier, and that was the same statement I had made about the question I had asked in other forums.

It may be reported as a statement. I will be happy to look at the article; I have not seen it.

**Mr. Grande:** Supplementary, Mr. Speaker: Will the minister confirm that she is in favour of eliminating junior and senior kindergartens in our schools, since last year she did withdraw the grants to—

**Mr. Speaker:** Order, please. That's a new question.

**Mr. Sweeney:** Supplementary, Mr. Speaker: Given that there is a reference in the report of the secondary education review project to a possible compaction of grades seven through 12 but no reference whatsoever to grade six or anything below it, can the minister indicate what the curriculum reasons would be that she would even make such a proposal?

**Hon. Miss Stephenson:** Mr. Speaker, another question that I have asked repeatedly is whether we challenge our young people sufficiently within our school system, and I do not know at this point, since I am not a professional educator like the honourable member, whether that is possible to do or not.

If there is possible compression between grades seven and 12 in order to achieve what the secondary education review project is recommending, perhaps as the inclusion of all of the curriculum within a shorter period of time, the



question I would have to ask is whether it can be compressed in other areas as well. The question I have asked repeatedly is, "Is it possible to do the compression by the elimination of a year, or must one simply compact the entire educational experience into a shorter period of time?"

I do not know the answer. As I said, I am not a professional educator and, therefore, I am waiting for the considered opinions of all of those who have been charged with the responsibility of looking at this and who will be responding to the very preliminary SERP report, which the Leader of the Opposition wants to make its final report today.

**Later:**

**Mr. Smith:** Mr Speaker, on a point of privilege—a very brief one and it will not be a difficult one: I just want to draw your attention to the fact that Hansard of May 4, 1981, shows in my questioning of the Minister of Education that I made several references to 13 grades—graduates in Ontario requiring 13 grades, whereas graduates from elsewhere are accepted after 12 grades—over and over again. At no time did I say that I thought grade 13 itself should be eliminated, but that the 12 grades should be enough instead of 13.

**Mr. Speaker:** I will accept that as clarification.

### INTEREST RATES

**Mr. Cassidy:** Mr. Speaker, I have a new question for the Premier about interest rates, now that the prime rate is at 19.5 per cent and may go even higher at the end of this week. The Premier has kept insisting that the interest rates are basically a federal matter, but is he aware that Ontario has a means to help protect people in this province against the effects of high interest rates? Specifically, since bank profits for the major banks were up by 56 per cent in the first three months of this year, will the government undertake to introduce an excess profits tax on banking operations in Ontario and use the proceeds to cushion interest rate increases for people who have mortgages, for small businessmen and for farmers?

**Hon. Mr. Davis:** Mr. Speaker, one can look at the profits for a period of time and say that would be a very easy solution. I repeat what I said twice last week: interest rates are set by the government of Canada. This government has no control over them. We have communicated to the government of Canada our reaction to the

increasing interest rates, but at the same time, to impose an excess tax on the banks as a solution, just at first glance does not appear to be viable.

**Mr. Cassidy:** Since Ontario is such a large part of the national economy, is the Premier not aware that just for the five major banks in the first quarter of this year their profits went up from \$277 million to \$433 million, a jump of 56 per cent, and that increase occurred because they were profiteering on the basis of the increases in interest rates? Does the Premier not think Ontario should be prepared to come in with an excess profits tax, all of which could be avoided by the banks if the banks stopped charging such high interest rates and gave people in Ontario a better deal on interest rates and stopped imposing the increases?

**Hon. Mr. Davis:** I should point out to the leader of the New Democratic Party that he can single out the banks if he so wishes, but that a great deal of the mortgage financing is done other than through the chartered banks. A lot of the institutional money finding its way into the mortgage market comes from trust companies, from insurance companies, many of them located in Kitchener, and from many private sources. I guess the member would say, "Let's have an excess profits tax on those people who have their life's savings invested in mortgages."

**Mr. Mancini:** Supplementary: Has the Premier yet become sufficiently concerned that because of these high interest rates many hard working Canadian families will not be able to continue to live in the homes that they worked so hard these many years to buy and to keep up, and will he assist these Canadian families to keep their homes by implementing the program which he has had available since 1975 and provide interest rate relief to families who wish to keep their own homes and who are unable to do so because of the present high interest rates?

**Hon. Mr. Davis:** I can only say that from my knowledge everybody who has a home at present wishes to keep it, so that applies to everybody.

I think it is fair to state this government has always expressed a genuine concern with respect to mortgage interest payments, bank interest payments and any interest payments people have to make during these periods of high interest.

**2:40 p.m.**

This government is concerned, but I point out to the honourable member and again remind



him that the interest rate policy is set by the government of Canada, with which he has a much closer relationship than we do.

**Mr. Cassidy:** Since Ontario has the constitutional right to put an excess profits tax on the banks and since that is one means available to this province to provide rate relief for farmers, small businessmen and mortgage holders, would the Premier tell the House and the province, is the government prepared to use the powers available to it to protect people in Ontario against high interest rates or has he abdicated his responsibility?

**Hon. Mr. Davis:** I will answer just the last part of the question. This government never abdicates its responsibility.

**Mr. Yakabuski:** Mr. Speaker, I am not about to talk about MacEachen, the wrecker of homes, but I did want to ask a supplementary to the question the leader of the New Democratic Party asked of the Premier. In answering, the Premier said on the surface it did not appear feasible. I would pursue that a bit further. In view of the gigantic profits the banking firms have made over the past years, rather than looking at it on the surface, perhaps we could have a much deeper and broader look at the whole affair of bank profits.

**Hon. Mr. Davis:** Mr. Speaker, I am sure the Treasurer (Mr. F. S. Miller) is always looking at legitimate ways to increase modestly the revenues of this province.

#### TAX INCREASES

**Mr. Cassidy:** Mr. Speaker, I have a new question for the Premier relating to the equity of the tax system in Ontario. Does the Premier think it is equitable that after the increases in taxes announced last week a family earning \$25,000 a year will, with federal tax, provincial tax and OHIP premiums, pay a tax rate of 31 per cent while the banks which operate in the province and across the country were paying in 1980 an effective tax rate of only 16.1 per cent of their balance of revenue? Is it equitable that people earning \$25,000 a year should be paying an effective rate of tax, including OHIP premiums, almost double the rate of tax being collected from the banking system across the province?

**Hon. Mr. Davis:** Mr. Speaker, I think one has to be careful getting into these comparisons. I point out to the leader of the New Democratic Party it is not valid to draw comparisons between what we as individuals may pay by way of tax

rate and what a bank or a company may pay. One must understand the banks also have shareholders and they pay salaries. People pay taxes on the salaries and taxes on the dividends from the shares they hold. Banks have good years and bad years. Some years the honourable member would be the last one to acknowledge that if the balance sheet showed something less by way of profit they should receive any modest consideration. This is true not just of banks but of corporation taxes generally.

I think the Treasurer pointed out to the members of this House that one can single out the banks or other areas in the corporate community, but the intention of this government is to remain competitive in terms of corporation or business tax. I think it is fair to state there are many jurisdictions where the corporate tax rate is competitive with ours and where we are not anxious to lose investment because the investment climate in terms of taxation levels may be somewhat more advantageous elsewhere.

**Mr. Cassidy:** The Premier is defending the fact that even though they had profits last year of \$1.4 billion, banks should be paying a tax rate only half that of the average family in the province. Could the Premier explain the equity of the tax proposals being made by his government under which a family earning \$25,000 a year will pay provincial taxes and OHIP premiums equal to 65 per cent of the federal rate, but a family earning \$20,000 will pay provincial taxes and OHIP premiums equal to 70 per cent of the federal rate, and a family earning \$15,000 a year will pay provincial taxes and OHIP premiums equal to 80 per cent of the federal rate? Why is it that the less one earns, the higher the tax rate in Ontario under the tax proposals the Premier is proposing in this Legislature?

**Hon. Mr. Davis:** Mr. Speaker, I think perhaps the member was not here last Tuesday evening, although my recollection is that he was. The tax proposals are being made by the Treasurer of Ontario. I will be delighted to get him to explain to the member the equity of the tax proposals he is presenting.

**Mr. Smith:** Supplementary, Mr. Speaker: Perhaps before the Premier washes his hands totally of the budget presented by the Treasurer, I might ask him, when he is talking to his Treasurer, to find out what the Treasurer's thinking might have been. I wish he would also ask the Treasurer how he could possibly bring in a tax on the profiteering that is already going on



in terms of the price of gasoline, given the difficulty that people have in paying for gasoline and the fact that we are heading for many price increases from time to time and possibly even more than we already expected and know about. How can the Premier possibly justify piggybacking and profiteering and compounding those increases at the expense of the ordinary citizen?

**Hon. Mr. Davis:** Mr. Speaker, I am really doing my best not to be provoked today in spite of the Leader of the Opposition's initial question in reference to the Minister of Agriculture and Food (Mr. Henderson). I will deal with that on some other occasion.

I would point out to him what the Treasurer said to him, that whatever the consumer in this province is paying, in spite of the seeds the Leader of the Opposition may wish to sow in the minds of the viewers as he performs here on this occasion, the reality is that the ad valorem tax that the Treasurer has suggested for this province is following what I think is done in every province of Canada with the exception of two. I would also point out that whatever the consumers are paying today with the new tax, it is substantially lower than they would be paying for gasoline and fuel oil if they had ever been sufficiently unwise as to adopt the Liberal energy policy for Ontario.

**Mr. Cassidy:** If I could ask the Premier to resolve the ambiguity of his last response to me, does the Premier support the tax proposals that were put forward by the Treasurer or does he repudiate them? If the Premier supports them, how does he defend a tax system that imposes a much heavier rate as a proportion of the federal tax on people earning \$15,000 a year than on people earning \$20,000 or \$25,000 a year? How can he support a tax policy that effectively soaks the poor and makes them pay higher rates than people who are better off?

**Hon. Mr. Davis:** The tax policy does not soak the poor. Yes, I support the proposals presented by the Treasurer of Ontario.

#### TENANTS' DEPOSITS

**Mr. Epp:** Mr. Speaker, I have a question of the Attorney General. All of us are aware that interest on rental deposits—and parenthetically the interest on rental deposits is six per cent—falls under the jurisdiction of the Minister of Consumer and Commercial Relations (Mr. Walker). We are also aware that section has been appealed to the Supreme Court of Canada by the government of Ontario.

However, given that the Attorney General is responsible for the Residential Tenancies Act and that this act could easily be amended, either to increase the six per cent to somewhere around the going rate or the current rate, or so that the setting of interest on rental deposits could come under regulation, is the minister prepared to bring in a bill this spring to amend that section of the act?

**Hon. Mr. McMurtry:** Mr. Speaker, I had not considered any amendment at this time.

2:50 p.m.

**Mr. Epp:** Given that the Attorney General has not considered this item to date, I wonder whether he would give consideration to it, take it to caucus and the cabinet and be prepared to bring in some amending legislation as soon as possible. As I pointed out to the House a few weeks ago, some of the larger landlords could make profits of around half a million dollars or more a year on paying interest of six per cent.

**Hon. Mr. McMurtry:** I will be happy to discuss the matter with the Minister of Consumer and Commercial Relations and advise the members opposite as to whether there is any likelihood of amending legislation this spring.

**Mr. Philip:** Supplementary, Mr. Speaker: Since the Minister of Consumer and Commercial Relations has promised to look into the formula proposed in a private member's bill I introduced—namely, tying it to the Canada Savings Bond rate—would the Attorney General kindly look at that formula and ask the Minister of Consumer and Commercial Relations to report back when we can have an answer as to when some action will take place and we will have his views on the formula I proposed?

**Hon. Mr. McMurtry:** Mr. Speaker, I do not see any reason that cannot be part of our discussions.

#### CORPORATIONS TAX

**Mr. Wildman:** Mr. Speaker, I have a question for the Premier. Given that there are over 259,000 active corporations in Ontario, can he explain how it is that one of them, the Liquor Control Board of Ontario, contributes about four cents of every dollar of provincial revenue while the other 259,000-odd corporations contribute a total of only 11 cents of each dollar? Could the Premier explain this apparently huge discrepancy in provincial revenue from corporations?



**Hon. Mr. Davis:** Mr. Speaker, I think that is a traditional differential well known to the members here in that the odd one has been involved in contributing to that differential.

**Mr. Wildman:** Could the Premier comment on the fact the Treasurer indicated in his budget that one of the reasons he was facing a revenue squeeze was the increasing number of corporate tax reductions, exemptions and deductions?

Is the Premier aware leading tax experts such as Richard M. Bird of the University of Toronto contend there is no evidence these measures actually work? They do not necessarily increase investment. Rather, they only ensure that provincial corporate revenues decline. Does the Premier not think something should be done about how little revenue the provincial government receives from corporations?

**Hon. Mr. Davis:** The government always assesses the level of revenue from the corporate sector. I will repeat what I said to the member's leader and repeat what the Treasurer said during his budget statement and since, that our corporation tax level is comparable and competitive with other jurisdictions. It is important we maintain this competitive environment in Ontario. I do not care what professor the member may quote, but having spoken to a number of people who are considering investing, reinvesting or potentially making new investments here in the province, I have to tell the member one of the first things they look at is the level of corporation tax. That does have some modest bearing on investment decisions.

**Mr. Boudria:** Supplementary, Mr. Speaker: Could the Premier tell us why he is so concerned about the corporate tax rate being conducive to making sure foreign investors invest here, yet he is not concerned with having an individual tax rate to keep our young people here when they are leaving for other jurisdictions?

**Hon. Mr. Davis:** Mr. Speaker, may I point out to the honourable member that I did not specify foreign investment. I know that is a real concern to the member's party and leader, because he has made many speeches on this subject, although I saw little of it during the campaign itself, particularly after his editorial lunch with the *Globe and Mail*. But I know what goes on. I would point out to the member that I am not concerned—

**Mr. Mancini:** The Premier should not be so condescending.

**Hon. Mr. Davis:** I am not condescending at all. Does the member want me to share it with him?

I would say to the member that it is important not just for investment from outside Ontario but for people who are presently located here, perhaps even industry in the member's own riding. The level of corporation tax does have an impact on investment, and I think if the member assesses it carefully he may find that to be the case.

## OPP SALARIES

**Mr. Piché:** Mr. Speaker—

[Applause.]

**Mr. Piché:** Thank you to my confrères.

Mr. Speaker, in making my debut in the question period as the member for Cochrane North, I would like to direct my first question to the Solicitor General in connection with the raise granted recently to the Ontario Provincial Police.

Is the minister aware of the repercussions that have been and are being caused as a result of the recent collective agreement between the province and the Ontario Provincial Police? Because of this settlement, which provides for an increase of \$5,890 over a 21-month period and brings the salary of a first-class constable to almost \$30,000—\$29,825 to be exact—effective January 1982, for an increase of 24.6 per cent, there is some concern over the repercussions felt in many municipalities.

As a result of this unusually high settlement for the OPP, municipal police departments have been under pressure to negotiate comparable salary increases to match the OPP settlement in order to attract new officers. It is, however, beyond the ability of these communities to pay such high salary raises. It would seem that the province, with its resources, would be mindful during negotiations of the effects created throughout Ontario, particularly in the smaller municipalities that operate their own police forces.

Would the minister comment on the situation that has resulted from a precedent-setting agreement between the province and the OPP, which apparently did not take into account the impact on municipal police forces? Will the minister assure municipalities throughout the province which operate their own forces, as they should, that this unusually high settlement will not affect municipally operated forces and that the ministry will find ways and means of assuring

comparable wages for all police forces, municipal and provincial, since they are all equal in ability and qualifications?

Interjections.

**Mr. Speaker:** Order, please. The minister has a very brief answer.

**Hon. Mr. McMurtry:** First of all, Mr. Speaker, I am not a party to the salaries that have been negotiated for the Ontario Provincial Police, but I would like to add quickly that the OPP are worth every cent of them. I know all members would agree that we in this province are indeed very fortunate to continue to be served by such able, committed and dedicated men and women as those who serve on our provincial police force.

It seems to me that the total of the settlement is not out of line with the awards or negotiated settlements that have been made with respect to many of the major municipal and regional police forces in this province, and I think if one looks at the salary range for first-class police constables in Ontario there is not a significant variation, although I would be the first to suggest that perhaps the cost of living in some parts of the province is obviously greater than in others.

3 p.m.

As to the pressures that may have been placed on municipalities with respect to any bargaining under way, again I think it is quite clear. I would ask my distinguished colleague to remind some of his municipal friends that many of the settlements negotiated by municipalities and regional police forces—quite apart from the Ontario Provincial Police—are very much in line with this negotiated settlement. I certainly sympathize with the difficulties many municipalities face with respect to increasing policing costs, but given the importance of this crucial service to the citizens of every community, I think it is an expense most citizens are prepared to bear.

**Mr. McKessock:** Supplementary, Mr. Speaker: Is the Solicitor General now going to take the opportunity to raise the municipal per capita police grants to the same level as regions are getting to help offset the increases they will have to pay for policing?

**Hon. Mr. McMurtry:** Mr. Speaker, this is not a matter for the Solicitor General. I have no direct involvement in these grants. The Minister of Intergovernmental Affairs (Mr. Wells) states it is still within his responsibilities. I was not sure whether this had been taken over by the new

minister of municipal affairs and housing. I do understand that some greater amounts are forthcoming with respect to these per capita grants, but again I am not directly responsible for these grants.

**Mr. Wildman:** Supplementary, Mr. Speaker: Is it not the case that the municipalities have been given grants lower than the increase in inflation this year? The question really is not that the OPP increase was too great but that the provincial government is not providing sufficient resources to the municipalities of this province.

**Hon. Mr. McMurtry:** Mr. Speaker, I am obviously not the minister responsible for these grants. I do know from the many discussions I have had with the Treasurer and the Minister of Intergovernmental Affairs that the needs of local municipalities and regions for policing is a matter to which they always give the highest priority.

#### VAUGHAN TOWNSHIP LAND USE

**Mr. Smith:** Mr. Speaker, I want to go back to the Minister of Agriculture and Food about the matter of Vaughan township and the answers he gave me earlier. The minister said earlier that the area was not large enough to be a viable farm. Is the minister aware that he is talking about an area of 1,225 acres? Could he explain how it is that in these times an area of that size is thought not to be viable?

Mr. Pinder, the expert in these matters, in preparation for the hearing—and I quote from the Ontario Municipal Board decision—“spent two days walking over the lands contained in amendment 95, during which time he measured various land slopes, inspected buildings and interviewed farmers in and around the block 48 area, and he said that as far as he was concerned there were 975 acres that certainly were worth saving.” Inasmuch as he took that length of time to examine it, will the minister tell us exactly how much time he and the member for Elgin spent in coming to the opposite conclusion?

**Hon. Mr. Henderson:** As I said earlier, I do not have the file here. Apparently the Leader of the Opposition does. Will he read the letter I sent?

**Mr. Smith:** Indeed. The problem is that I have read the letter. All the letter of December 2 said was, “With regard to the above file, it has come to my attention that the staff of my ministry commented on this application,” and in his view the lands were similar to other lands in the amendment 95 area and were withdrawn. There are no reasons given.



In a previous very short letter, he says: "The proposed amendment to the official plan was brought to my attention by my parliamentary assistant, Mr. Ron McNeil. Mr. McNeil personally inspected the area, and he and I reviewed our ministry comments with my staff." Based on this discussion, he says he withdrew the objections of his staff.

His staff are experts who spent two days walking up and down the area examining an area of about 1,000 acres and found it to be viable farm land that should be saved. The OMB thought the same. Apparently the member for Elgin made some examination that was satisfactory to the minister to try to overrule the experts in his ministry. I want to know how much time the member for Elgin spent walking up and down the land, and what are his qualifications?

I want to know particularly whether the minister is now prepared to withdraw this ridiculous attempt on his part to push through something on behalf of developers and friends of his?

**Hon. Mr. Henderson:** When the honourable member starts speaking about the qualifications of my parliamentary assistant, I will put him up against that whole party any day when it comes to talking about agriculture. The honourable member knows full well that I was referring to a portion of that 1,200 acres. He does not want to bring that out here. I will bring the file tomorrow and show what I am talking about.

**Mr. MacDonald:** Supplementary, Mr. Speaker: Since the minister claims that he gives his staff the freedom to come to conclusions on the basis of their expertise, but he then exercises the freedom to countermand their conclusions, does the minister care to inform the House who made representations to him with regard to making that change? Is the Leader of the Opposition correct that a certain lawyer was the one person? Were there other people who came and persuaded the minister that he should countermand the decisions of his experts in his ministry? If so, who were they?

**Hon. Mr. Henderson:** Mr. Speaker, my parliamentary assistant is a very capable farmer in this province. He was asked to go and view this property. As I say, I do not have the file in front of me, but I will certainly look and see, and I will bring back the answers either tomorrow or Thursday.

#### CABLE TV OPERATIONS

**Mr. Stokes:** Mr. Speaker, I have a question

for the Minister of Transportation and Communications.

Is the minister, along with his colleague the Minister of Northern Affairs (Mr. Bernier), still of the opinion that the Canadian Radio-television and Telecommunications Commission is wrong in its denial of the right of cable television operators in northern Ontario to intercept satellite signals for transmission to their subscribers in northern Ontario?

Will the minister support the cable operators and their subscribers in opposing this denial of basic rights as enjoyed by most people in southern Ontario and certainly by the people in Quebec, who get French signals from the republic of France?

**Hon. Mr. Snow:** Mr. Speaker, I am not sure whether the honourable member is asking if I still feel the CRTC is wrong; and I am not sure whether I would be right in saying the CRTC is wrong or the federal Minister of Communications is wrong—perhaps both are wrong—because that is my personal opinion.

One policy of the federal government with which I do not disagree is that there is a limitation of four on the number of United States signals that can be carried on a cable television system; that is, it is limited to the three commercial stations and one noncommercial station that any cable TV system here in southern Ontario is allowed to carry.

**3:10 p.m.**

The requirement limiting the number of US signals to four should be uniform across the province, and it should not depend upon how that signal is received. As the honourable member knows, cable TV operators can receive that many and more signals here in southern Ontario off air, by microwave or by land lines. To say that the cable system operators in northern Ontario cannot give their customers four United States signals because they have to get those systems by a satellite transmission, I think is fundamentally wrong. The cable systems in northern Ontario should be able to supply four US signals, the same as they do in southern Ontario, whether they get them by satellite, by microwave or off the air.

There is some progress being made on this, after a long while, but there should be more effort made and more signals on our Canadian satellites so that a further choice of signals could be available in northern Ontario. But, regard-



less of how many Canadian signals we have on the satellite, I think the basic rule of four US signals should be uniform.

**Mr. Stokes:** The Minister of Transportation and Communications and his colleague the Minister of Northern Affairs made a joint submission, through the Deputy Minister of Northern Affairs, before the Canadian Radio-television and Telecommunications Commission in Geraldton a little over a year ago.

That is the reason I asked the minister whether he was still of the same opinion. If he is, what is he going to do in his representations to either the CRTC or the minister responsible, the Honourable Francis Fox, to see that the formula he believes is a true and a realistic one is made available to the people of northern Ontario? Does the minister not see that as his responsibility on their behalf?

**Hon. Mr. Snow:** I certainly do, and I have been attempting for almost the last six years to do exactly that. But for the past period of time it has been very difficult to get any meeting with or any message across to the federal Minister of Communications.

I cannot remember the exact date, but a communications ministers' conference was arranged to be held in Winnipeg, and shortly before it was to take place Mr. Fox notified everyone he would not be in attendance. The host minister from Manitoba cancelled the conference. The minister from New Brunswick called a meeting of provincial ministers of communications about a year ago and asked Mr. Fox to attend. Mr. Fox declined to attend that meeting.

I believe there was a meeting of communications ministers called for Quebec City in February by the Quebec minister—it was during the election period, but it was called before that—and we thought Mr. Fox would attend. Although I was not there, my deputy and other officials of the ministry were. Mr. Fox did not attend that meeting.

**Mr. Stokes:** Since you cannot get his attention, will you cite him for civil disobedience?

**Mr. Speaker:** Order, please.

**Hon. Mr. Snow:** If the honourable member will just give me a moment, I am not through yet, Mr. Speaker.

We then arranged a communications ministers' conference for this spring—in May or June—again in Manitoba at the request of the Manitoba minister. I just got notice—although I was scheduled to be there in mid-June for a

two-day meeting in Winnipeg—that conference has now been cancelled. I believe it was cancelled at the request of Mr. Fox, but he has agreed to attend the conference in Winnipeg in September. So it does not look as if there will be a chance for us, as provincial ministers, to meet with Mr. Fox, after all of those cancellations, until September. I hope that one will come about.

**Mr. T. P. Reid:** Supplementary, Mr. Speaker: Will the minister indicate whether he has been in touch with the CRTC and its chairman, Mr. Meisel, to point out Ontario's position in this regard? And will he say whether he has had a response from Mr. Meisel?

**Hon. Mr. Snow:** Mr. Speaker, we have made representations at practically every significant hearing of the CRTC on matters relating to communications in this province.

To answer the member's question specifically, I would have to refer back to our files to see what replies we have received. I know we have sent a number of written submissions to the CRTC. I do not recall replies, but that does not necessarily mean those submissions were not taken into consideration in making the decision that was made recently, for instance, to put some of the Canadian superstations on the satellite.

## SKILLS TRAINING

**Mr. Bradley:** Mr. Speaker, I have a question for the Minister of Education. I want to ask the minister whether she agrees with the policy announced by the former Minister of Community and Social Services regarding attempts by the provincial government to encourage people who are receiving mother's allowance and other kinds of social assistance to become financially independent?

If the minister does agree with that policy, will she be prepared to investigate the situation at Niagara College, where a particular program that allows people to upgrade themselves academically so they can go into technical courses or obtain jobs—which would allow them to get off social assistance—is being cut back? Will the minister investigate that and take whatever action necessary to ensure that the former minister's policy is carried out?

**Hon. Miss Stephenson:** Mr. Speaker, the basis of the policy developed at Niagara College was, of course, the federal program which permitted the addressing of the basic knowledge requirement for admission to skills programs. As my



honourable friend knows, his friends in the federal government have cut out that program completely. Niagara College has attempted to try to fund it on its own and has been unable to, and that is the reason for its demise this year.

It is a matter of grave concern to me and one of the reasons that we have been looking at the entire area of continuing education, particularly in the basic skills-basic knowledge requirement of a number of those who were unfortunately required to leave or voluntarily left the elementary secondary system before they could acquire the knowledge which they now need for entrance into a skill training program.

It certainly was not a provincial government activity that caused the demise of this program; it was their friends at the federal level who did it.

**Mr. Bradley:** In view of the fact that it is very easy to always blame the federal government when something does not go right but to take the credit when something does go right, will the minister tell the House what specific action she is prepared to take on an immediate and urgent basis to ensure that this program does not disappear and that these people who face unemployment or who face a situation where they are going to be on social assistance when they do not want to be are able to get off this and are able to take advantage of what was admittedly a very good program, I thought, at Niagara College?

**Hon. Miss Stephenson:** One cannot look at a program such as that in isolation. One must look at programs of similar nature in the various colleges throughout the system, and that we are doing.

**Mr. Swart:** Supplementary, Mr. Speaker: When the minister is examining this program at Niagara College and blaming it all on the federal government, will she would look at the situation whereby the college itself has contracted with the federal government, under manpower retraining, for them to purchase all of the seats in certain trades because they need the money so badly that they cannot risk the situation of some fee-paying students not carrying on; so that many students in the Niagara Peninsula who have graduated from high school and now want to go into a skills trade are not able to get a seat at the college because of the action of the board?

**Hon. Miss Stephenson:** Mr. Speaker, colleges are not permitted to sell all of the seats in any program to the federal government. There is a

percentage that must be retained for students in the local vicinity who are not referred by Canada Manpower.

### REXDALE FIRE

**Mr. Philip:** I have a question of the Solicitor General. Can the minister inform the House whether he has ordered a widespread inquest into the death of Kenneth Whalen and Carole Miller, who died in a Rexdale fire where arson is suspected? Can the minister inform the House what his investigators may have uncovered to date, since there are a number of very uncomfortable rumours spreading through the neighbourhood over this particular fire?

**Hon. Mr. McMurtry:** I have not had a report as of this moment, Mr. Speaker, but I will be obtaining a report and will report back to the Legislature.

**3:20 p.m.**

**Mr. Philip:** Will the minister assure the House, since Mr. Whalen is reported to have been the Rexdale commander of the Ku Klux Klan, that any investigation, or indeed any inquest, will look into the activities, if there are any, of that organized group in the Rexdale area?

**Hon. Mr. McMurtry:** Obviously we are very interested in the activities of the Klan in any area of the province. If there is going to be an inquest into this fire, it is not likely that it will relate to the purported or alleged activities of the Klan unless there was some relationship between these activities and the deaths of the two individuals.

### EDUCATION RECORDS

**Mr. Boudria:** Mr. Speaker, I wish to draw the attention of the Minister of Education to a student information sheet being used by Ontario schools which requests children entering primary school to indicate their social insurance number. Is the minister not concerned that a social insurance number is being attached to a person's school record at that early age, and is she not concerned about the accessibility of those records in later years through computers to others who have knowledge of social insurance numbers?

**Hon. Miss Stephenson:** Mr. Speaker, as the honourable member may not know, there is a very specific action taking place to divorce any identification of students in the educational program by number from the individual identifier that is used for social insurance. I do not think it is to be accomplished this year, but it is

to be accomplished by the end of the school term next year. However, I shall explore that, because it was not my understanding that the number was to be used this year.

**Mr. Boudria:** If the minister is right in what she is saying, can she explain to the House why these envelopes are distributed by the unemployment insurance office to kids to apply for social insurance? They are distributed to three-year-old children as they apply to start pre-kindergarten in the fall when they will be four years old. One was distributed to my daughter.

**Hon. Miss Stephenson:** Canada Manpower has absolutely nothing to do with the school system of the province, and I do not know how those envelopes could have been distributed through the school system. I will investigate that.

**Mr. Boudria:** They always are.

**Hon. Miss Stephenson:** No, they are not. They may be in the member's area, but they are not in mine.

#### SPADINA EXPRESSWAY; HYDRO CONTRACTS

**Mr. Renwick:** Mr. Speaker, time is short; so my question to the Premier has two parts, if I can just have his attention. The Premier is fond of referring to the reality of March 19. I am fond of referring to the other reality; that is, the Premier's word.

Does the Premier recognize that there is a time limit on the credibility of his word? During his term of office as Premier, will he (1) introduce legislation into this assembly that will fulfil his commitment to the city of Toronto with respect to the extension of the Spadina Expressway and (2) file as quickly as possible, in accordance with the promise he gave to this assembly, the report of the former judge of the Supreme Court, Mr. Justice Campbell Grant, related to the Ontario Hydro contracts at Arnprior and Bruce?

**Hon. Mr. Davis:** Mr. Speaker, dealing with the second matter first, I will consult with the Attorney General (Mr. McMurtry). I told the honourable member I would do that.

As to the first matter, I am still hopeful that we might resolve it without the necessity of a piece of legislation.

#### DOMTAR DISPUTE

**Mr. Villeneuve:** Mr. Speaker, I want to ask the Minister of Labour, at what stage are the

negotiations between Domtar in Cornwall and the workers? It is a very serious problem in our area, affecting not only the city of Cornwall but also the whole community around. This strike has now lasted seven months.

**Hon. Mr. Elgie:** Mr. Speaker, I am pleased to advise the House that negotiations over the weekend resulted in a memorandum of agreement that will be voted on later this week.

#### INTRODUCTION OF BILL

##### LANDLORD AND TENANT AMENDMENT ACT

Mr. Boudria moved, seconded by Mr. Van Horne, first reading of Bill 83, an Act to amend the Landlord and Tenant Act.

Motion agreed to.

**Mr. Boudria:** Mr. Speaker, the purpose of the bill is to provide increased protection for tenants residing in mobile home parks who are forced to move from parks by a landlord who requires possession of the park for certain other purposes. The act currently requires the landlord to give a tenant 120 days' notice before terminating the tenancy agreement. The bill increases this notice from 120 days to one year.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I wish to table the answers to questions 90 and 91 standing on the Notice Paper. (See Hansard for Friday, May 29.)

#### MOTION

##### ESTIMATES

Hon. Mr. Wells moved, seconded by Hon. Mr. McMurtry, that, notwithstanding any standing order of the House, estimates for the Provincial Secretariat for Social Development be referred to the standing committee on social development and be taken into consideration for up to five hours following the estimates of the Ministry of Culture and Recreation.

Motion agreed to.

**Mr. McClellan:** Mr. Speaker, I am quite happy to agree to the motion, although it has come rather quickly and without much notice. I only want to ask the government House leader and the minister to make sure the briefing material is made available to the critics this week, because as yet it has not arrived and we are scheduled, I gather under the terms of this motion, to begin on Monday.



**Hon. Mr. Wells:** Yes, Mr. Speaker. The arrangements have been made to have the material available, and this was done in consultation with the House leaders.

**Mr. Sweeney:** Mr. Speaker, I was under the impression that a decision had been made at the last meeting of the social development committee that a private bill would be brought before the committee this coming Monday. Do I misunderstand that? The people involved have been advised of that.

**Hon. Mr. Wells:** Mr. Speaker, all we are doing is referring the estimates to the committee setting the order and the time for them. The scheduling and the dates when the estimates will be heard are up to the committee. They will order their own business.

## ORDERS OF THE DAY

### BUDGET DEBATE

(continued)

Resuming the adjourned debate on the motion that this House approves in general the budgetary policy of the government.

**Mr. Peterson:** Mr. Speaker, it is my very great pleasure once again—I think this is the fifth time—to rise on behalf of my party to present our views on the budget.

I must say I am delighted to see the Treasurer (Mr. F. S. Miller) here today. I know how very busy he is. I think it is the first time in my experience with two Treasurers that a Treasurer has decided not to be here on the day of the response. I know how terribly busy the man is travelling about trying to put out some fires, particularly at this time, but this had been scheduled for some time. However, that is his prerogative. It probably indicates, to some measure at least, the extent of his embarrassment over this budget.

**3:30 p.m.**

In my five years of criticizing the budgets on behalf of my party I have never seen one that is so easy to criticize and that is more iniquitous, given the economic circumstances. I hope in the course of my remarks during the next hour or so to lay out our view of the specifics of the budget. I will also set out what we would have done; in other words, our positive alternative to the budgetary practices of this government.

Before I start, I want to thank a few people who have assisted me greatly. We in this party are the beneficiaries of a great deal of expert advice from a number of people—not only on

our own staff but also across the province—who share with us their points of views and who contribute to the development of our policy. I want to thank all of those people who have assisted us.

I say with some pride, on looking back over the years we have been responding, that I do not think we have said anything we are embarrassed about after the fact. Unlike the government, I do not think we can be caught in one duplicitous position. I do not think the government can catch us once where we have said one thing and where we changed our minds two or three months after. That is very much unlike the government. Through the campaign, through the budgetary documents, it has changed its fiscal and political strategy depending on the political forces at any given time, and it has almost lost credibility.

I am sorry the Minister of Industry and Tourism (Mr. Grossman), the erstwhile Treasurer, is standing up to leave the House, because I would enjoy it very much if he would stay here and learn. This young man has demonstrated some capacity to grow and learn. If he were prepared to sit here at my knee for an hour or so, we might even turn him into the real Treasurer. Whatever meetings he has this afternoon, I can assure him none is more important to his political career than the time he should be spending here.

**Hon. Mr. Grossman:** I will read Hansard later. I will read it to my children.

**Mr. Peterson:** If the member does have trouble sleeping tonight, he can get a copy of Instant Hansard to console himself in his insomnia.

I do want to thank a few people specifically: These are research people—Jane Shapiro, Sandie Giles, Norma Graver—all of whom worked very hard at assisting me with my remarks, and Donald Gray, who is my trusty assistant for the summer, sitting up in the gallery.

**Mr. Nixon:** What about your colleagues?

**Mr. Peterson:** Of course, I owe a great deal to my colleagues. The political wisdom these gentlemen and ladies have demonstrated over the past years in forging a responsible economic policy augurs very well for the future of the Liberal Party in Ontario.

We have not been a party that has advocated unlimited spending. We are not like the NDP, who have never had to reconcile both sides of the balance sheet, the expenditure side and the revenue side. I see my old friend the ex-critic



smiling like a Cheshire cat, relieved as he is of the duties he used to have. He is not a bad fellow, and I think he probably felt badly about some of the things he was forced to say to veil his Socialist principles under the guise of some sort of fiscal framework. I think he is probably very happy to be relieved from that burden. Now he can speak only to the expenditure side—the great programs the NDP have to recreate the world in their own image.

We have fancied ourselves as being financially responsible. We have never made criticisms when we did not feel we had an alternative. We have never advocated unlimited spending. We were prepared to make cuts where we were prepared to make expenditures. As a matter of philosophy, our party does not believe we can go on in perpetuity and put the taxpaying public and our future generations into a perpetual burden of debt. I will be talking about that a little later, more specifically about some of the fiscal problems and the financing problems this province is going to face over the next 10 and 20 years. I have yet to see any attention to these problems from the government.

I think this budget is particularly interesting because it is just in the wake of an election. A budget is very frequently a political document—at least it is used for political purposes. When we see the juxtaposition of what we were presented with last week and what was promised before the election—indeed, what was offered in the last budget—it strains everyone's credulity; it strains the credibility of this government. When one sees the stark juxtaposition of giving at one time and taking away severely a year later, he can see no consistency, he can see nothing except an ill-conceived perception of some economic or electoral gain.

I have no doubt the things said in the last campaign and in the last budget contributed in at least some small measure to the electoral success of our friends opposite, because they were totally different from what we have been presented with today. In that regard it is the most shameful budget I have seen in my brief years here and we have, at the same time, the most shameless Treasurer. He almost openly admits the political context in which he brought down this document and admits the great disparities that have come about.

I just want to give a few quotations of things we have discovered. In Decision 1975, a pamphlet of this government in the 1975 campaign, it said this: "In the Canada of 1975, no one has

fought harder for the consumer and the taxpayer than Ontario's PC government. From the outset, Ontario fought against increased energy costs because higher costs meant fewer jobs and more inflation, and when Ottawa jacked up the oil and gas prices and increased by 10 cents the federal tax on gasoline, Ontario responded with a 90-day price freeze at the provincial gas pumps." They would have us believe it is a government of the consumers.

Let us go to a statement by the Premier (Mr. Davis) of this province at a press conference at Queen's Park when he called the election on February 2. He said, "We seek a mandate to combat inflation through smaller and more efficient government, avoiding tax increases and supporting those on fixed incomes," blah, blah, blah, as he is wont to say.

We had the Treasurer, when speaking about increased energy prices on a national basis say, "Increased energy prices are a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province and of Canada as a whole."

That is the kind of ambiance they have created. We had a feeling before the last campaign, and the government tried hard to create the feeling, that all was well in Ontario, it was a "no tax increase" budget, in fact there was some extra money for one if one needed it; for example, if you needed a Wintario grant. We remember he sent a number of his ministers about the province with a great big bushel full of cheques, passing them out here and there for arenas or whatever was the order of the day, all symbolized by the quote from the great Minister of Agriculture and Food (Mr. Henderson) saying, "Me and the Premier brung you this cheque." There was a feeling all was well.

Why should other people be critical of or complain about the economic performance of this government and this province over the past decade? What we will find when we do our analysis is the single most important problem facing this province is its lack of fiscal capacity. It is losing its ability to create wealth so that we can all enjoy the services we have become accustomed to.

The rundown in our economic health is forcing the government of this province to take a higher take from the average taxpayer and the average consumer and is creating a tax climate today that is most unattractive compared to other provinces. We are seeing that gradual rundown. I say with great pride that my leader



pointed it out in the last campaign, although a lot of people criticized him and said he was Dr. Negative, but history will say he was right.

Maybe we have had too many moral victories on this side and not enough electoral victories, but one day we will translate that into an electoral victory. There is a stark juxtaposition of the dishonest approach this government takes. We have tried from our point of view to be specific about the problems and suggest solutions. I think two or three years from now people are more apt to see the wisdom of that point of view than they perhaps did in the last campaign.

I intend to talk today not only about errors of commission in the budget, but also about errors of omission. It was a singularly unimaginative document except in extracting money from the taxpayer's hide. There were no new wealth-creating initiatives, just a rehash of the old Board of Industrial Leadership and Development program that is already in disrepute in most circles. We saw little creativity except inflationary tax grabs contributing to higher prices.

### 3.40 p.m.

In spite of the fact that the Treasurer walks out of here and says the new ad valorem tax on gasoline is not inflationary, his own officials, who—and it has been demonstrated on a number of occasions—know very much more about the whole budgeting and financial process in the country than he does, admit that it is an inflationary tax. Now the Treasurer has, of course, a vested interest in higher oil prices to satisfy the unquenchable coffers of the Ontario Treasury. He is profiteering by inflation; he is contributing to inflation. It is exactly the wrong tactic at this time in Ontario's history.

I have had the experience in the last four or five days, along with my colleague the new financial critic for the New Democratic Party (Mr. Wildman), of appearing on a number of open-line shows, talking to a number of people and chatting about the budget, as we are wont to do. Interestingly enough I think the Treasurer was invited to all those shows. He refused to show up, because he was not prepared to defend this silly document in public. Rather than take criticism he avoided the forum.

We sat and listened, and it was not very interesting radio or television because there was no real conflict. No one defended the budget and no one of any substance phoned in to defend the government. There are a few people who phone in, of course, and say what a wonderful province we have and how grateful

we should be to live in it. Of course we have. But the priorities of this government are wrong. There could be a fairer and more even distribution of wealth and more devices to create wealth in this province. That is what we are complaining about here. None of us wants to leave Ontario. We are all going to stay here and fight for what we consider best. That is not the issue.

But we talked to people who phoned to say: "I am a single mother. I have two children and I just cannot cope. How will I pay these extra taxes?" The story goes on from individual to individual, from small businessmen to farmers. Mr. Speaker, I know you have those kinds of people in your own constituency. What this budget has done, to some extent at least, is rob these people of hope. It has said to them, "No matter how hard you try there are certain forces conspiring against you: high inflation rates and high interest rates." Granted, they are not the direct responsibility of this government even though the results are. But now they are assaulted by an equally punitive budget that is going to extract more money from their disposable income and they are asking themselves, "How can I cope?"

I do not have an answer for them. I do not know what they can do tomorrow morning except tough it out, because there has been no promise held out in this budget. Therein, maybe, from a sociological point of view, lies the single most iniquitous thing about this budget: it is robbing people of hope. People who previously thought that by hard work and saving and doing what most people want to do in this life they could build for the future have now in some respects lost the hope of building for the future. That is a very serious phenomenon in our society as I know it, and that disturbs me very greatly. I know my colleague the member for Algoma (Mr. Wildman) would agree with those sentiments too, because he went through the very same thing I went through.

I wish the Treasurer had been there to hear that, because it moved me. There were other people far more harsh. They phoned and said: "The taxpayers of Ontario deserve what they got. They voted Tory—let them suffer." I do not take that harsh view, because I think the economic and sociological repercussions of what we have done are too serious. We are going to use whatever devices we have on this side—and unfortunately there are not nearly as many as we used to have—to try to get this government to change its mind and reorder its priorities. Unfortunately, the biggest weapon



we have in opposition today is rhetoric, and that is not always effective when we are facing a majority on the other side of the House.

We are going to continue the fight. We totally, fundamentally and absolutely reject some of the tax increases that have been presented by this government, particularly because of the politically dishonest way in which they were introduced. After a no-tax-increase budget last year we pay double this year. A lot of false promises were held out to the people of this province, and there is a sense of moral outrage from people who feel they were deceived last year.

Maybe the government is right. Maybe the government thinks people are not very smart or that they will forget what they have done. Perhaps they will be right four years from now. We will see tax increases again next year and see those wind down the year after that, and a budget with no tax increases just before the next election. That has always happened.

In the process of working on our remarks today, we did a review of the last 10 years of the budgetary process of this province. Always, without exception, the major fiscal distortions in the budget were in the year prior to an election—in 1971, 1975, 1977, and last year, 1980. That is when you see the major aberrations. The citizens end up paying in the two or three years following that, giving the government their money so they can buy their votes. I think at some point there is a degree of cynicism that will set in that will defeat the government that continues to try that old tactic. That is my opinion. It is not going to be easy, but we are going to take that message to the people of this province in any event.

I want to talk about what we see are the economic realities of May 1981, what we are facing, what the government was facing, and what they should have been dealing with. We have virtually record-high inflation rates and interest rates. I do not think we have to get into a discussion today on who caused that. I recognize it is a federal responsibility, but the spillover effects of that are clearly a provincial responsibility for those people who reside in Ontario. There are ways that individuals, home owners and small businessmen can be protected and should be protected. I will talk about that in more detail later.

We are paying, as I said, not only an economic price but a very high human price for that phenomenon which is caused generally by external forces, forces beyond our borders. We have

the responsibility to repair the damage at least in some limited way. We see small businessmen, probably the most vulnerable sector of our economy, being assaulted on a daily basis by these high interest rates.

A Canadian Federation of Independent Business survey said some 60 per cent of those small businessmen were creditors to bankruptcies and 57 per cent of those got nothing back. When one small business or a few start to go, there is an impact on their friends and neighbours and the people with whom they do business. You cannot regard the effects of high interest rates and inflation on these small businesses in isolation. They have an impact on society as a whole, and ultimately end up affecting us all.

We are also seeing a phenomenon where the average person in this province cannot afford to own a home. The average home price in April was \$87,534. With an 18 per cent mortgage, 10 per cent down, and taking into account taxes and heat, and assuming the ratio of 30 per cent of disposable income should go to carry a mortgage, one requires a pre-tax income of \$47,000. That is about \$20,000 more than the average family income in this province.

We are removing hope. We are not offering the prospects and the hope for the future that we should be in gearing our political system towards offering that kind of promise. My colleague the member for Huron-Middlesex (Mr. Riddell), has spoken eloquently about the plight of the farmers. I get the impression, very sincerely, that he and his colleagues who work with him are the only people who really understand the plight of the farmers in this province and are prepared to do anything about it. Members have seen the passion and commitment with which he speaks on that issue. The government is being most foolhardy in not moving in that direction. What we have seen is a 75 per cent increase in farm bankruptcies in 1980 and net farm income down 32 per cent. All of these phenomena going on at the same time speak to a great deal of trouble in the economy in Ontario.

My leader has spoken before about the erosion of the middle class, this phenomenon that is dividing the working poor from those people who have some assets which are increasing in value through no particular accomplishment of their own. Those people who have money or assets today see them growing at phenomenal rates, way beyond what they are contributing to the gross national product, through that iniquitous phenomenon known as inflation. On the



other side of that, we are seeing the people who are working, the majority of whose disposable incomes are going towards handling mortgages, feeding their kids and just surviving, and who are getting poorer by the day. If one goes back in history, one sees that one of the things that contributes to the destruction of a relatively stable society is the destruction of that middle class which happens to be its backbone and generally keeps it functioning. That is my judgement and the judgement of a number of other people.

**3:50 p.m.**

I was at a great investment seminar the other day where a speaker from the United States was saying that exactly the same thing is going on in the United States. We are seeing the destruction of the middle class. We are dividing those who have from those who have not. We are making that hurdle much harder to jump, and, as that goes, there are going to be a lot more assaults on the political system as we know it. We are going to see a much more distinct polarization. We are going to see more conflict and more tension, and we are going to remove that buffer, the middle class, which keeps society together. We are going to see many more political problems in the future if we cannot solve these kinds of problems and offer hope to people.

Do you know the Treasurer's response to all these problems, inflation and so on, Mr. Speaker? All he said about inflation and interest rates in his budget was this: "It is with concern that I view the levels of inflation and interest rates we are currently facing. This government is resolved to meet its responsibilities to limit the debilitating effects of high rates of inflation," whatever that means. Those were just a few words about the most serious problem we are facing and there was not one program to solve the matter. That failure to recognize all the problems in the budget this year, except with just a few platitudes, is a glaring omission in our judgement.

As I said earlier, the single most important problem in this province at the present time is the decline in wealth-producing capacity, and a lot of the other problems we have stem therefrom. The government's response to that was a raid, an assault on the taxpayers. They have given up the fight against inflation and are now profiteering from inflation through their ad valorem tax on motor vehicle fuels. They have given up the fight.

I have to give the former Treasurer, Darcy McKeough, with whom I had many arguments, credit for one thing, that even though he did not

always perform the same way, he stood at least for some sort of fiscal rectitude, for trying to control government spending, for trying to cure the iniquitous force of inflation in our society. Now his government, or what remains of it, has given up that fight and is joining in and profiteering from inflation. That is an amazing conversion this government has gone through, rather than fighting a problem to profiteer from it, and doing that on the backs of the consumer and the taxpayer in Ontario. At the same time the response was to provide absolutely no new initiatives in the wealth-creation process in this province.

As I said, we saw the BILD program fleshed out a little bit more, we saw it recycled for the third time—I will deal with that a little later, but I think it has been ineffective in most areas even though there are some specific parts of which we approve.

The Liberal priorities in budgeting would be these: number one, government policy and the might of government force must be focused on the creation of wealth in Ontario now, or else we are going to continue with the squeeze on social services and all the other cutbacks we have experienced for the past half decade at least.

**Mr. Jones:** That is what the whole BILD program was about, remember.

**Mr. Peterson:** If the member will wait a minute he will find out how it is not working. It was a cheap political document designed to get votes and not to accomplish very much else. Look at the number of new jobs it has created. Look at the handouts that were inappropriately given. Most rational people looking at that program say on balance it has not been very effective. But that is our first priority, and we would do it much differently than the government has done it.

Number two: as a government priority we must protect the disadvantaged, those people particularly hard hit by the high interest rates and inflation today. We recognize we cannot afford an open-ended program, we cannot afford universal support, but we could afford a targeted sectoral budgeted amount of money to help those people most in distress. We have specific ideas on how to do that, and they would be geared to income. That would be a much better disposition of \$100 million today than a \$260 million tax expenditure on retail sales tax cuts or \$100 million for the pulp and paper companies which was not needed anyway. That is why we totally disagree with the priorities set



by this government. That would be our second priority, to help those people who cannot cope now. Believe me, there are a lot of them.

When we are in our constituency capacity we are in a very different capacity than our political capacity, because then we get close to people. We understand what is bothering them and they come to us with their problems. I am sure that applies to my friends sitting on the opposite side. Who has not had people come to him and say: "I have troubles. I do not know what to do. My business is going under. I can not keep up my mortgage payments." I have no idea what they say to them, but it is a real and immediate problem.

Not only that, it is not in society's interest to see home owners thrown out, businesses fail or people thrown off their farms. It is not in our long-term interest. I believe we have a social, moral and political responsibility in those areas.

In my judgement, a third area where this government has failed miserably in this year's budget is there are still a lot of unnecessary expenditures that could have been cut from the budget. A lot of money could have been reordered in terms of priorities.

**Mr. Jones:** What are they?

**Mr. Peterson:** To answer my friend, I will deal with those in a minute. I have already talked about them on more than one occasion. That money could have been freed for more productive purposes in the budget and that should have happened.

I want to document my original point on the decline of Ontario over the past decade and particularly over the past five years. In 1980, Ontario, with 36 per cent of the Canadian population, created only 20 per cent of Canada's new jobs. Ontario's unemployment rate grew more in 1980 than that of any of the other provinces. During the 1970s, Ontario dropped from a position of prominence among the provinces to last place in virtually every major indicator of economic growth.

Ontario is last in the growth rate of gross provincial product per capita, in the growth rate of per capita income, of personal disposable income, in the per capita growth rate of wages and salaries and value added per capita, in the growth rate of public investment and residential construction and in manufacturing shipments. That is documented. That is fact. I would like to give a couple of examples of what this means to the province's consumers in real terms.

In 1980, Ontario's growth in per capita personal disposable income was only 93.9 per cent

of the Canadian average. If Ontario had managed to grow at the same rate as the rest of the country during the 1970s, each man, woman and child of the province would have had an additional \$1,001 to spend last year alone. That is an extra \$1,001 most Ontarians could have put to good use.

Between 1970 and 1978, Ontario was not last in everything. We were first in growth in per capita interest on the public debt. Our growth rate in this area was 23 per cent higher than the Canadian average. If Ontario had managed the same growth rate in interest on public debt as the rest of Canada, we would have saved \$440 million—\$52 for every person in Ontario in 1978 alone.

That \$440 million would have more than covered the \$235 million the Treasurer is getting by raising personal income taxes this year and the \$119 million he needs to get by raising OHIP premiums again. If we had been able to curb our debt level so that payments were no more than the Canadian average, we would not have needed to raise income taxes, OHIP premiums or the fuel tax this year to generate extra revenues for a desperate government. The consumer would have had more of his money left in his pocket to help make ends meet and to get the economy going.

Ontario's industrial growth performance during the 1970s was also significantly below the Canadian average in many categories, such as real domestic product for manufacturing, mining, construction, trade and utilities. This dismal performance translates into substantial job losses for the people of this province.

In 1980 alone, the number of manufacturing jobs in Ontario declined by 28,000. Any decline in manufacturing is critical to Ontario since manufacturing accounts for 30 per cent of the province's real output. Yet the manufacturing share of Ontario's employment has been dropping steadily from 27 per cent in 1971 to 25 per cent in 1979 and 23 per cent in 1980.

**4 p.m.**

According to the latest forecast of the Conference Board of Canada, Ontario will experience another decline in manufacturing output this year, by far the largest percentage decline of any Canadian province and more than double that of the country as a whole.

Capital investment in manufacturing for construction machinery and equipment also dropped in 1978 and 1979. While there was some recovery in 1980, it is not widespread and appears to have been more an aberration than a trend,



because capital investment intentions of large companies for the period 1982 to 1984 reveal a continuing lack of confidence in the Ontario economy.

According to the most recent Statistics Canada survey, investment by large companies in Ontario will increase by only four per cent in 1982 compared to a 12 per cent increase for the rest of Canada. By 1983 and 1984, investment spending is expected to drop sharply in Ontario, 2.1 per cent and 1.3 per cent respectively, compared to 9.5 per cent and 4.4 per cent increases for the rest of Canada. Indeed, by 1984 these companies intend to invest nearly \$1 billion less in Ontario than during 1981.

This is simply not acceptable. Manufacturing is the source of Ontario's wealth and prosperity for the future. We cannot allow these declines in production, employment and investment to continue unabated. Yet this government seems either content with the situation or devoid of any ideas to redress the crisis. Not a gesture, not a mention, not a word in the budget was directed towards a revitalization of the manufacturing sector, except the BILD program, of course. I will have more to say on that in a minute, but first I want to complete the picture of Ontario's economic performance.

The Premier always compares this province to upstate New York, Michigan or Pennsylvania. It has been recognized that in many respects they are going through the same problems we have. In fact, Newsweek offered the opinion that in Detroit, Youngstown and Pittsburg the productivity crises were largely symptoms of a degenerate disease that threatens the living standards today and for future generations. These are the generations with which the Premier would have us compete. We have to set our sights much higher.

It is hard to believe that during the 1970s Ontario's performance and real output was inferior to all other provinces in Canada, more than half of the US states, and about 85 per cent of the developing countries in South America, Latin America and around the world. This is the legacy of really a squandered decade and it is not as if we are only aware of this now. It is not only as if we had a great conversion after the fact. We were aware of these things going on during the 1970s I think this opposition had some responsibility in bringing them to the attention of the government. That is still the problem and the symptoms have gone unanswered.

This is the legacy of the Premier and this

government. It used to be the province of opportunity, but it needs some vision, it needs to look at the future. It needs a comprehensive plan and an agenda and a priority for action. It is going to have to make some hard decisions about where it sits. They are not easy, but I can tell members they have not been made on that side of the House, and I will be interested to see what my friends to the left have to say tomorrow.

To answer my friend from Mississauga North's questions about our analysis of the BILD program, I want to talk about that, because that has been the only government response and in our judgement it is highly unsatisfactory.

We must address ourselves to the critical question of wealth creation. It must be part of a comprehensive overall plan which establishes priorities and goals and means to achieve them. This government's only contribution has been in the BILD program. This election ploy was announced with great flourish and fanfare and yet behind the fluff there is precious little substance.

The \$1.5 billion the government proposes to spend during the future years does not in fact involve the expenditure of any new money. It is made up of \$750 million, which will be spent over five years on unspecified industrial initiatives and which was first announced in the mini-budget of last November. There must be a limit to the number of times they can get mileage from the same old program. Of course, \$750 million is to come from the federal government, local governments and the private sector. This means that the government is spending no more than \$150 million a year, and those dollars are eroding with inflation. It is actually spending less than it spent with the employment development fund program in 1979 and 1980.

The BILD document, in true political fashion, contains a paragraph for every problem that has arisen in the last four years, but the program is so vague and in many cases so ill conceived that the federal ministers on whom they depend for some financial support, Herb Gray and Bud Olsen, could not respond to it seriously and asked for more details about the program. What is clear about this program is that it contains not a single job creation target, very few price tags and a few recycled ideas.

The most consistent response to perceived problems is to call for the creation of a board or commission to investigate the matter or to urge action or to recommend a course of action in



another matter. In fact, it calls for the creation of 14 new government agencies. As soon as the Minister of Consumer and Commercial Relations (Mr. Walker), who is trying to cut these things out, finds out about that, those members over there are going to be in trouble.

Ontario needs more than this. The BILD program is not a blueprint for the future; it is a political document. It is a vague whitewash of our problems in the hope that they will go away of their own accord. That, of course, is the government's tradition.

BILD does not follow in the footsteps of the employment development fund, which it succeeds. Money is allocated without criteria, it is given where it is not needed and sometimes it is used for purposes other than those intended. It even lends itself to a lot of fraud in a number of cases. We have just had an interesting situation in London, Ontario, where it looks as if three small business development corporations have gone down the pipe, taking a lot of investors with them. It will be interesting to see what kind of monitoring the government is doing on that.

I suggested before that the employment development fund would be more appropriately called the employment depletion fund. A London Free Press survey, conducted in March, of firms receiving EDF grants which were intended to create jobs failed to turn up a single company that had created a job. Indeed, some companies had laid off workers; and one company in Sarnia, which had received \$200,000 to create 296 jobs, has gone out of business entirely. The government is an unsecured creditor in that case—at the bottom of the list, presumably.

One Windsor firm received \$170,000 to create 60 jobs. They reported they had hired some and laid some off again. A London firm used the money for capital expenditure—not labour—at a new plant, which was then closed down. The main plant cut down production and, according to the president, "We have expanded but we have retrenched."

At best, the employment development fund was designed to assist large firms, many of whom were very prosperous, to do even better. In some cases it does not appear to have accomplished even that limited purpose. The purpose for which government money should be invested in industry in Ontario is to assist small and medium-sized growing Canadian-owned firms, particularly in the manufacturing sector, to compete and expand internationally. Small firms are our greatest source of wealth and new job creation.

In the most blatant perversion of this approach, the Ontario government has given \$98.2 million to seven pulp and paper companies over the last one and a half years for plant modernization. These firms refuse to clean up and modernize their operations without government assistance, despite the fact that they all had healthy profit margins and some were even the subject of competitive takeover bids.

According to the report prepared for the Royal Commission on the Northern Environment, the grants were probably wasted, because the pulp and paper industry can modernize and still make money without government grants. One company executive referred to in the study indicated his company does not need the grant but took the money anyway because all the other firms did.

One can see the perversion of the private enterprise system where these companies are turned into corporate welfare beggars. And if they are not showing up down here with their hands out asking for some money even though they do not need it, they are not being responsible to their directors or shareholders. It is the government that is corrupting the system.

Domtar received \$10.5 million in grants while recording a 1979 profit of \$98 million, a year-end increase in net income of 55 per cent; for the six months ended June 30, 1980, net income increased a further 14 per cent on a 15 per cent gain in total revenue over the corresponding year-earlier results.

Great Lakes Forest Products Limited, a subsidiary of CPI, got \$25.3 million while recording a profit of \$50 million in 1979. For the nine months ended in September 1980, net income jumped 83 per cent on a 66 per cent gain in total sales over a year earlier.

Abitibi-Price received \$15 million after having a profit of \$115 million for 1979. For the six months ended June 30, 1980, Abitibi-Price reported net income on operations increased 13 per cent on a seven per cent gain in sales over a year earlier.

American Can got \$4.6 million while enjoying a profit of \$85.7 million in 1980—and on the list goes.

If the government wanted me to be specific about cutting back in expenditures and about the failure of the BILD program and why it was unnecessary, it has it; it is right there. We continue to give away huge amounts of money to firms that are profitable and do not need it. And if they were being honest, they would say they do not want it but come because it is



offered. They told the Minister for Industry and Tourism they did not want it. If this were not absurd enough, in total these grants will result in the loss of 600 to 800 jobs. Surely the priority of any government strategy has to be job creation, but this is a job uncreation program.

**4:10 p.m.**

I want to talk about what we would do, what we would have done, our priorities and how we would have allocated these moneys. If Ontario is to alter its present economic and industrial direction, we must develop our priorities. The government must stop listening only to the loudest and squeakiest wheel and oiling it with ever larger amounts of unnecessary funds. This kind of ad hockery is not acceptable, particularly at a time when fiscal flexibility is so limited.

We must adopt a plan that emphasizes efficient use of resources, both human and natural. We must begin to train our young people for the jobs that are and will be needed. We must increase support to the universities, instead of slowly starving them of equipment and staff. We must undertake more applied industrial research and development. We must introduce significant incentives to selected manufacturing industries based on areas of determined growth potential.

The Ontario Liberal Party has been calling for a comprehensive co-ordinated industrial strategy in this province for well over two years and will continue to call for one until the government either gets the message or gets booted out so we can finally get Ontario back on the track again.

We believe a strategy must be developed and a set of objectives must be delineated. An industrial strategy for Ontario must emphasize the manufacturing sector and must have job creation as its primary objective. A strong, innovative manufacturing sector provides for a whole range of jobs from highly skilled technicians, engineers, scientists and craftsmen through white-collar professionals to semi-skilled and unskilled workers.

Again and again we have proposed improved apprenticeship programs for our young people. This call has been echoed by study after study, and year after the year the speech from the throne has promised new, enhanced skill-training programs, but nothing ever happens. I am looking at the Minister of Labour (Mr. Elgie), who is sitting under the gallery right now.

In fact, while Ontario in 1972 spent 12 cents on manpower training for every one dollar of unemployment insurance payment, the most

recent statistics show Ontario in 1978 was spending five cents on manpower training for every one dollar of unemployment insurance payments. Ontario is the only province that has failed to increase manpower expenditures enough to keep pace with inflation. The Minister of Education (Miss Stephenson), in spite of her frown, knows we are right.

In 1972, the Ontario government also paid more than one third of the total cost of vocational and occupational training in the province. Now, while most other provinces have undertaken new efforts to train their unemployed, Ontario has reduced its contribution to the cost of retraining to one sixth, and ranks second to last.

The costs in both social and economic terms of not training our young people for the jobs required by industry are just too great. Industrial strategy must promote an indigenous research and development capability. We have proposed several incentives to encourage research and development, including cash rebates to Canadian-controlled small business equivalent to 15 per cent of their R and D expenditures.

Industrial strategy must also promote and assist small business in Ontario. Small business is flexible, able to adapt quickly and possesses great potential for technological innovation. More important, small business can create jobs more quickly and cheaply than capital-intensive industries, at about \$5,000 per job.

The Canadian Federation of Independent Business contrasted this cost with the job creation record of the employment development fund, now BILD, and found the total capital outlays levered by EDF grants were about \$38,190 per job. It is not difficult to conclude which sector deserves government backing. It is only difficult to understand why this government has never done it.

Small business not only has great growth potential, but it is also a sector from which we will derive the greatest returns on our investment. We would support small business through a preferential government policy extending to Hydro and all other agencies and institutions of the provincial government. We would also implement incentive plans to encourage equity investments by individuals in Canadian businesses.

A comprehensive plan like this requires a reordering of priorities and a shedding of the baggage and shibboleths of the past. One of the advantages of changing government is that there is no emotional tie to try to justify some of



the stupid programs of the past. Some time in the very near future, this province is going to be swept by a new broom and, not being committed to some of the errors of the past, we can take a fresh look at some of the priorities. We can only do this by reordering our priorities and expunging some wasteful expenditures, like \$200 million in employment development fund grants and \$120 million in pulp and paper industry grants.

People always ask, "If you guys are so smart, where would you cut expenditures?" I want to talk about where I would cut expenditures, because that is probably the biggest area of black in the budget. There has been no attention paid in the budget to cutting expenditures. Of course, we are not in favour of cutting hospital expenditures, but there are a lot of wasteful ones that could have been got rid of. That money could have been freed either to lessen the tax load or to invest in wealth-creating devices here in this province.

We would have put an end to the election-inspired sales tax cuts. The last round will cost about \$260 million in lost revenue and will have precious little, if any, real effect on this province. It is not a stimulant. It has been proved that the import spillover is at least 50 per cent; so at least 50 per cent of that money went to subsidize jobs and assist people in other jurisdictions from which we import these things. That is where we start.

A Canadian Tax Journal study undertaken after the sales tax cut inspired by the 1975 campaign said that one possible effect was a slump in future sales. In fact, it robbed from the future, because people only changed the timing of their purchases and not the volume. In times of high inflation and higher interest rates it is all the more likely to be true. We are robbing from the future again.

On top of this, the increased levels of personal taxation imposed by the budget will surely curb consumer consumption in the future. So the combined effect of these contradictory measures to stimulate and then restrict consumer demand probably will be a drag on the economy at least to the equivalent of whatever benefit was bought for the \$260 million last fall.

We must also get rid of some of the numerous white elephants this government has acquired over the past decade. Some of them, of course, are John White's elephants. There is a legacy of grandiose, fast-spending, easy-money policies of the Tories during the 1960s and 1970s.

In the early 1970s, the government began

buying up land for the new industrial sites and new cities it envisioned for the near future. Unfortunately, they were consistently wrong about the attraction of these sites for residential and industrial development, and we are now burdened with more than \$508 million in land investments that show little in return.

These investments include \$280 million in North Pickering, or Seaton; \$9.6 million in Edwardsburgh, now in its third incarnation growing trees; \$47 million for Townsend—and more money is being dumped in there daily; I am told that something like \$60 million is going into the townsite development and municipal buildings when, God knows, we do not need it, and a further \$52.5 million, that is an accurate figure, has been spent to promote Townsend—\$37 million in South Cayuga; \$31 million in Saltfleet; \$12 million in Cambridge; \$20 million in Milton; \$13.8 million in Carlsbad Springs, near Ottawa; \$16.6 million in Whitby; \$4.8 million in Oakville; \$3.5 million in Windsor-Riverside—and the list goes on and on and on.

Not only that, it is accumulating interest daily. It was such an embarrassment to the Ontario Housing Corporation, which owns this property, that it cut off the interest expenditure from Treasury. Treasury made a deal with them and perverted the bookkeeping so they would not have to pay the interest and so they would not make their carrying costs look as high as they are. The public accounts committee, under the very able direction of the member for Rainy River (Mr. T. P. Reid), looked into this and recommended to this House and the people of Ontario that at least there should be an honest bookkeeping system. There are so many devices that this government has to hide the real cost of things, and that is just one example.

A \$500-million purchase at today's interest rates is accumulating interest at least in the order of \$75 million a year. How can we possibly justify soaking the taxpayers more when we are carrying on interest with that kind of ridiculous expenditure?

According to the Toronto Real Estate Board, the Ontario Land Corporation will have \$650 million tied up in Townsend, North Pickering and South Cayuga by 1985, even if it does not buy one more acre. These are all funds that could have been used to produce wealth in Ontario rather than be lost on shortsighted, unplanned acquisitions.

The list goes on and on about the Minaki Lodges, the polls, the advertising and all the things that in our judgement have gone into



wasteful spending that is not properly allocated at this time, given the squeeze on government revenues. If it were 1960 and we had all this money left over, we could think of something to do with it. But we do not have those privileges today. We have to be far more disciplined in the ordering of our choices.

**4:20 p.m.**

There is one area where we feel the government has failed miserably, and that is university funding. I am glad the Minister of Education is here to know this. They are squeezing the university sector again this year. For the fifth straight year, I believe, they are funding that sector at below inflation rates. That is an area we think is sacred because of its investment in our future. In crass economic terms, it is an investment in the economic health and future of this country.

Ontario's operating grants increased at a slower rate than those of any other province during the period 1974-81. Operating grants to universities in the rest of Canada were increasing at a rate of about 65 per cent more than they were in Ontario. In terms of operating grants for university enrolment, Ontario declined from fifth place in 1974-75 to last place in 1980-81.

If I make any mistakes, my able colleague the member for Kitchener-Wilmot (Mr. Sweeney) will correct me, because he has been fighting hard. He has waged, almost alone, a personal battle in conjunction with his party to bring some fairness and equity to that sector.

The gap between Ontario's grant for a student and the average for the rest of Canada was a staggering \$812 in 1980-81. In operating grants per capita, Ontario ranks ninth in 1980-81. In total expenditures by total personal income per province, Ontario ranked tenth in 1979-80. In terms of operating expenditures throughout North America, Ontario is one of the lowest. Of all state and provincial jurisdictions between 1978 and 1981, only four—Colorado, Michigan, Pennsylvania and South Dakota—experienced lower rates.

Universities and community colleges across the province are feeling the pinch. At the University of Western Ontario, in the great city of London, 40 faculty members and 408 other staff have been cut since 1975. In this past year alone, the teacher-student ratio has increased by about 11 per cent. Equipment for basic research and experimentation is outdated and in poor repair. This is the case throughout the academic community. This is just one example.

Community colleges are experiencing exten-

sive program cuts. At Algonquin College in Ottawa, 13 immediate program cancellations have been scheduled and 10 program reductions have been proposed; at Conestoga College in Kitchener, four courses have been suspended; and at St. Lawrence College, one course has been completely cancelled.

This is by no means a complete record of the courses and programs suspended or cancelled across the province. We are convinced that under this government the number will increase. After holding the Ministry of Colleges and Universities to a 6.6 per cent budget increase last year, it is now allowing an 8.4 per cent increase for 1981, well below the annual rate of inflation.

The government of Ontario has demonstrated its lack of commitment to skills training and to our colleges and universities. Pursuit of excellence is the key to our economic and industrial success in the future. While restraint must be exercised in government spending, it must not be indiscriminate. We must make our choices and use our scarce resources wisely. Our institutions for higher learning must be adequately funded. The province must assume its responsibility and provide satisfactory and reliable levels of money to our post-secondary educational institutions.

One way in which the Ontario Liberal Party would provide additional support for our universities and at the same time benefit Ontario's manufacturing industry would be through the promotion of applied research and development. We long have been aware of the critical role of research and development, and particularly of technical innovation, as the primary determinant of economic growth and competitiveness.

We also recognize the important roles that universities, industry and government play in promoting research and development and innovation and advances in technology. We therefore propose the creation of university-based, world-class technology and innovation centres. These centres would operate as joint ventures involving government, industry and the universities. They would have a mandate to develop new products and processes for selected manufacturing industries.

The universities involved would be asked to provide facilities and some expert manpower for the centres. Industry would also be invited to contribute both experience and technological expertise. Both would benefit from government funding, from money saved by pooling their resources and by avoiding unnecessary duplica-



tion of research efforts. It is a very different program from what the BILD program suggested or outlined—

**Hon. Miss Stephenson:** No, it isn't.

**Mr. Peterson:** —if my friend wants to take the time to read it.

There would be a number of incentives connected to those industries that are instrumental to an industrial recovery program. Among those considered might be auto parts, conventional energy, oil sands, heavy frontier oil, offshore field development, alternative energy machinery, including robotics, resource machinery, pollution control, electronics, and communication. The list goes on and on. We believe that these things would be very important here, and we would urge the government, in its wisdom, to consider them.

That is one of the few times I have talked about increased spending in a particular area, and I hope I have satisfactorily pointed out that there are a number of areas where money could be cut so that these expenditures could be made.

Before I get into the criticism of the specific tax measures in the budget and move a motion of no confidence, I want to talk briefly about the deficit funding position of this government. Members will recall that we have discussed this question almost every year, because it is of great concern to us. All our predictions are coming true. We are going to enter a fiscal squeeze in this province over the next decade that is going to be very serious because of the compounded debts of the past, and I want to talk about that briefly.

We have discussed this before, as I said. The majority of the deficits in this province over the past 10 or 15 years have been funded from internally generated pension funds. In fact, as of March 31, 1982, Ontario will owe the Canada pension plan \$9.895 billion, it will owe the teachers' superannuation fund about \$4.7 billion—that is in addition to about a \$1.4-billion unfunded liability that does not show up in the books but which the taxpayers of the province are going to have to make good someday—and it will owe the Ontario municipal employees retirement system fund \$1.293 billion, for a total of \$15.935 billion as the total of the nonpublic borrowing.

**Mr. T. P. Reid:** Almost \$16 billion.

**Mr. Peterson:** It gets worse—I am glad my colleague commented—because they also owe the public service superannuation fund, through

payments into consolidated revenue, another \$2.955 billion, a fund that is treated differently from the other fund, for a total by March 31, 1982, of about \$18.890 billion—virtually \$19 billion worth of accumulated deficits to the end of next year. Those figures are accurate, and I just wanted to share them with the members.

**Mr. T. P. Reid:** They are frightening; that is what they are.

**Mr. Peterson:** I will tell you why they are frightening, Mr. Speaker. I will not go into all the details, but the total interest payments today are \$1.582 billion—and that is just to the pension plans. There are other interest payments, too, that bring our total interest bill up into the \$1.8-billion category, which is now 10 per cent of the provincial budget, or a 14.2 per cent increase from last year.

Every year one of the biggest single increases in budgetary expenditures, and one of the reasons we are having a squeeze as a percentage of total government expenditure on education and social services and all that kind of thing is the inexorable climb of debt servicing money. Every year that is occupying a higher percentage of the budget. If we chart that back over the last few years, we will find that is one of the most rapidly increasing parts of expenditure; it is up 14.2 per cent, up more than the transfer to almost every other area of spending this year. That is serious.

I want to talk about why we have a problem. This year Ontario will borrow \$600 million from the Canada pension plan, but this year we owe \$832 million in interest to the Canada pension plan for accumulated borrowing of the past \$832 million. We are losing \$232 million on that deal; we are falling behind. We cannot borrow enough from the principal to make up for the accumulated debt of the past.

If we take all the payments to pension funds this year, interest payments will be 94.2 per cent of the principal amount we can borrow from pension plans. That contrasts with about 10 years ago, when only one quarter of the amount we could borrow had to be turned back for interest on the pension funds.

In 1979-80, our interest payments were about two thirds, or 64.3 per cent; last year they were 92.6 per cent. But this year, as I said, 94.2 per cent of the principal amount we can borrow will go back in interest payments.

In a year or two, counting all pension plans in, not just the CPP where we are out of whack already, we will owe more back in interest for accumulated debts basically over the last decade



than we are able to borrow from those same funds. That is called a negative cash flow. That is called a real financial bind. Where are we going to get the moneys to pay back those borrowings? Not only do we have that massive interest bill, but also we have a capital repayment program that I have charted for your benefit, Mr. Speaker.

**4:30 p.m.**

I do not want to go into all the details, but I want to show you this chart. In 1982, we will have to repay \$69 million in capital; in 1983, \$129 million in capital; in 1984, \$131 million in capital; in 1985, \$106 million; over the years 1986 to 1990, \$2.215 billion; 1991 to 1995, \$3.787 billion; in 1995 to 2000, \$6.931 billion; and more in the future after that. Some day we have to pay back all this dough we borrowed, in addition to the accumulated interest over a period of time.

We have to ask the basic question: Where will we get the money? There are only two choices. One is to tax higher, and we are already seeing the evidence of that now in the punitive tax increases being extracted this year from the public hide, a lot of which—10 per cent of those tax increases at least—are going to repaying debts of the past. The other is to go to the public marketplace in the future to borrow those moneys and to start squeezing it out of private enterprise.

One cannot talk about the pension fund borrowing and the deficit of the province, indeed of this country and other jurisdictions, without talking about the troubles in the capital market today. It is a known fact that over the next 10 years this country is going to need around \$200 billion in the energy sector alone.

Where are we going to get those kinds of moneys, particularly if governments are competing—which is highly inflationary—for those finite amount of funds we have in this country? We can see from this that governments are a major contributor to inflation and that the Ontario government, although not as bad as some other governments, is a heck of a lot worse than a lot of other governments.

This government is always comparing itself to my friends in Ottawa. It should compare its fiscal performance to the fiscal performances of a lot of other provinces. It does not add up very well. There is a cheap, lame, anti-intellectual, stupid rationalization used by certain members opposite—I notice one is just walking out now. There is one nasty lady, Mr. Speaker. I am glad she is leaving. She has poisoned the atmosphere of the House during this speech. But those are

real problems, and I have yet to see my friends on the left ever address them. They do not really take them all that seriously, but I do. I take them terribly seriously.

I have yet to hear any answers from the government as to how they are going to handle those problems. I used to question Mr. McKeough, and I have questioned this Treasurer. They hope the Treasury is big enough, the economy of the province is big enough, to absorb those at those times.

**Mr. Swart:** What about the federal Liberals?

**Mr. Peterson:** No one is standing here trying to justify the economic management of the federal Liberals. I would be the last guy to do that. Sometimes, in fairness. I have to defend my brother.

We are dealing with this jurisdiction. I see I got the members opposite excited. I talked about a couple of numbers and I got them all excited, but those are real problems I wanted to share with the House. They are compounding on an annual basis. It is getting worse; it is not getting better. When we go to a major negative cash flow position in the next year or two, with all our funds combined, somebody on the other side of the House is going to have to come up with some answers. I do not think they honestly know what they are going to do.

The Treasurer alluded to the Royal Commission on the Status of Pensions in Ontario. In my judgement, pensions are another very important issue this country and this province will have to face over the next two or three years, and they are something I am terribly and intimately concerned about. I want to make just a few comments about pensions.

Unlike some others, I am one of those people who thinks the Haley report was quite a brilliant report. It was probably the most comprehensive report of its type that has been done in the last few years. A number of very substantial reports have been done in the pension area: the Confirantes report, the economic council report and a variety of others. I had the privilege to attend the great pension conference in Ottawa a month or so ago, to sit down with a number of representatives of industry, labour and a lot of other jurisdictions, to discuss these very serious problems that are facing our country.

One of the things that really concerned me about that conference—and we had the very best spokesmen from the various points of view—is that rarely did the opposing views meet. On the one hand we had the benefits people. Everybody agrees, of course, that it



would be nice to pay people a lot more money to retire, and they just address it from the point of view of compassion: what we must do to assist the elderly poor in retirement. That is one set of arguments. On the other side, of course, we always talk about funding and how it could potentially bankrupt our country if we do not handle the funding properly, and of course about the disposition of those funds.

Rarely in that conference, unfortunately, was there good dialogue between the two sides, one addressing the other's problems. My guess is that a compromise of some type will come out of that. I see that the Treasurer has already made up his mind on a number of issues in a speech that he made, as well as in the budget, before the select committee gets at those very complicated problems this summer. I am looking forward to being on that select committee and reviewing the Haley commission report.

I have an open mind at this time. I think there are some good things about the provincial universal retirement system recommendation of the Haley commission and I think there are some bad things about it, but it is something I am going to look at very seriously this summer.

But before that select committee meets there are a number of things that can be done now. My party and I have advocated at least introducing some of the provisions. Certainly the childhood step-up provision is something that could be introduced now; it would show good faith with Ottawa and the other provinces. Ontario is one of only two provinces that have vetoed that particular move. It is something that would help the working women now in the calculation of their pension benefits.

There are a number of areas we could clean up now. We have to address vesting portability and the rotten deal that women are getting out of the whole pension program from this country. We can do some of those things now, some of the smaller issues, even before we address the larger issues relating to both pension reform and the macroeconomic ramifications of that reform.

I would urge the government at least to show good faith before that select committee starts to sit, and to institute discussions with the federal government to change some of those provisions.

One of my problems, of course, is that when we talk about increased contribution rates or an increase in the Canada pension plan, that is just more money for Ontario and various other provincial governments to keep and spend on their deficit. We postpone the ultimate reckoning that, as I was trying to impress upon you

earlier, Mr. Speaker, we are going to have. We would just postpone that with more money and fiddle it out for another 10 or 15 years before we have to pay the piper.

It is my view that if the CPP contribution rates go up and if there is an increase in the CPP benefits—a doubling or an increase from 25 per cent of the average industrial wage to 40 per cent or 30 per cent or whatever—that money should not go to provincial governments to dispose of on current-account deficits. That money should be invested in the private sector. It should be mobile and volatile money seeking the highest rate of return from a selected group of Canadian investments; it should be invested in the capital interest structure, in the capital markets in this country, because this is one of the problems we have today. We have proved before that the \$18 billion or so of money that the government had access to in the past 15 years has really been a catalyst for spending, has caused it to get involved in spending, a lot of which has been seen to be ridiculous after the fact.

I remember John White talking about land banking and saying: "I had all this money; I might as well have spent it. I could have bought shares of some other company, such as Massey-Ferguson, but I decided to buy land." It is that kind of promiscuous attitude with other people's money that got us into some of the problems we have today. I saw him in that committee making those kinds of remarks, and of course he has the most screwed-up views of fiscal management that anybody has ever heard, which are discredited even by card-carrying Tories today. But it is an indication of the kind of mentality at the time that felt they had all this free money and did not ever concern themselves with paying it back; and it is one of the reasons we are still paying for these mistakes in this budget. That being said, I like John White. He is from London, but he does not vote for me.

Those are just a few of the comments I want to make on the pension plan, on some of the provisions of the Haley commission, some of the things I think we should do this summer. Again I urge the government, there are some things we can do now. Let us do them now.

**4:40 p.m.**

The last part of my speech, and you will be glad to know I am drawing to an end, Mr. Speaker—

**An hon. member:** No, give us more.



**Mr. Peterson:** If you want to hear more, if I got a little encouragement I could go a little longer.

**The Deputy Speaker:** The Minister of Education was encouraged.

**Mr. Peterson:** If the Minister of Education stops frowning I will construe that as encouragement, Mr. Speaker. She is the only person I have ever met in my life who could hold a frown for six years. It is a remarkable achievement.

I want to talk about what this budget did not do. It did not attempt to address the problems of high interest rates and inflation, the impact on individuals and consumers. It did not put out a positive, concrete plan for economic recovery and revitalization of the manufacturing sector. It did not introduce measures that would stimulate new wealth creation. It did not commit itself to retraining young people.

As I said earlier, our second priority would have been to protect people who cannot protect themselves from the ravages of this high inflation. To that end we have submitted to this House, and have even brought a no-confidence motion on that basis, a comprehensive program on how we could help people withstand some of these assaults in the short term. If this goes on I would urge this government to look seriously at the kind of program they have in Quebec, where there is some sort of assistance for the working poor.

As I said earlier, the working poor person in that sector of the economy is increasingly taking it in the neck from a number of forces over which he or she has no control. Even though I am worried about open-ended programs that are terribly costly, it is something we have to do in the future if workers continue to carry the major brunt of inflation on their backs. As long as there are sharpies in the world they will be able to get around that, but as long as people cannot protect themselves we are going to have to look seriously at some kind of work income supplement program such as they have in Quebec.

I would urge the government and the Treasurer to at least start studying that matter so we could have a program ready at some time in the future if it became necessary. We are close to that time now. We are so burdening that sector of our society they just cannot breathe anymore. It is not in our interest to squeeze people until they have no hope left.

What they did with this document, in probably the most blatant revenue grab in recent

history, is to increase OHIP premiums by 15 per cent. It is a regressive, punitive form of taxation which half a dozen studies have recommended should be abolished. Instead, this government increased premiums by 109 per cent over a five-year period, from \$11 for single premiums in 1976 to \$23 in 1981. It is an annual increase of 21.8 per cent, far outstripping the annual rate of inflation for those years.

The annual rate of increase in premiums also far outstrips the annual increase in the Ministry of Health budgets for those years. At an annual rate of 10.7 per cent, the Health budget increased only half as quickly as OHIP premiums. There is no excuse for continuing this cruel tax when alternatives are available and are used in seven other provinces.

At the very least, premiums should have been frozen this year and if the government, in its wisdom, felt it had to raise additional revenue it could have been raised by other tax devices. That is the least that should have been done this year.

The government raised Ontario's personal rate of income tax from 44 per cent to 48 per cent of the basic federal tax. This is an unconscionable tax grab at a time when consumers are already reeling from the ravages of interest rates and inflation.

It is incredible to me a government would choose to take more money out of the consumers' pockets, thus reducing discretionary income at a time when the economy is flagging, when six months ago the same government reduced sales taxes to stimulate demand.

The fiscal and philosophical inconsistencies in what has happened with government programs in the last year is absolutely staggering. It is no wonder people get confused when the minister cuddles them up with one hand while giving it to them with the other hand. The inconsistency is foolish, it operates in a counterproductive way and it is dumb.

At the same time, the government says, "We are relying on the Reaganite supply side economics of tax cuts and expenditure cuts to stimulate the American economy and it will have the derivative effect of stimulating the Ontario economy." They are moving in exactly the opposite direction here.

I said before, and I do not mean to be harsh, but I honestly believe he is wrong. I honestly believe the Treasurer has very little basic feel for what he is doing to the province. I think he is a victim of a number of advisers and he quotes back in the House the most recent advisers he



has heard on a variety of different subjects, obviously with different points of view, but he has no personal philosophy of either taxation or fiscal management. He quotes back a number of different snippets of advice that he gets and when you put them altogether in the bag, Mr. Speaker, they frankly reveal a very changing kind of philosophy of how to run this government. We could disagree with the former Treasurer, but at least we knew what he stood for at any given time and at least we knew what the plan of the government was. This is a totally different situation.

For a family of four with an annual income of \$30,000, the increase means a provincial income tax hike of \$323 this year. If that family also pays its own health premiums, as do many small businessmen, another \$72 of that is on this year's bill. Indeed, if the increased OHIP premiums are added to our personal income tax rates, Ontario has now an effective personal tax rate of 58.5 per cent, the highest in Canada in terms of personal tax.

Do not get the impression we are a tax haven any more. These kinds of personal tax rates are going to contribute to an increase in the further net migration out of this province. The last figures I recall were a net loss in population of something like 30,000, and those are not just the unskilled. Those are skilled people who want some promise and future in their lives and who just do not see that opportunity here today. There are too many headlines about the tax climates of Alberta and other places one can go in this country, and if we get too harsh and punitive in our taxation policy, for the reasons I have outlined, we are going to continue to lose more.

We are something like fifth or sixth worst now in terms of taxation—

**Hon. Miss. Stephenson:** Fifth or sixth best.

**Mr. Peterson:** Fifth worst or sixth best in this country, because there are 10 provinces. The minister should start teaching that in her schools.

It is interesting that with the highest effective personal tax rate in Canada, Ontario also has the lowest fiscal capacity. This means that rather than using our tax dollars to generate new wealth, the government has to use it to finance our deficit. It is a sign of an economy in serious decline.

This increased burden on consumers—revenue from personal income tax is going up 22.4 per cent this year vis-a-vis an eight per cent increase in revenues from corporation taxes and it is required simply to keep our deficit position

from worsening very substantially—is perhaps an acceptable approach to raising taxes. If taxes have to be raised, our preference is to go through the personal income tax route.

We understand that, although we do not agree necessarily with the government at this time on where we need to stimulate demand. If that money was being used in a plan to revitalize the manufacturing sector and generate new growth, that is one thing. I do not mind going into debt to create new wealth, but just to sustain consumption on a current level, while creating all the problems of paying it back in the future, is not sound fiscal planning, in a household, in a business or in a province. And because our provincial tax rate is a percentage of the federal rate, it goes up when the federal rate goes up and there could be another blow to consumers this fall.

The government has changed the tax rates on gasoline, diesel fuel, railway diesel fuel, aviation fuel, cigarettes, cut tobacco and domestic beer from a set volume basis to an ad valorem percentage basis. It is clearly a case of profiteering from inflation, and in my judgement, of all the things that were done, this is the most pernicious and deceitful thing that could possibly have been done. They have given up fighting inflation. They are joining inflationary forces now and they are going to profit from the confusion. They are going to profit a lot more in the future.

If you think the take is high this year, Mr. Speaker, look ahead next year and the year after and the year after that as these prices compound. Today, at \$1.50 a gallon, the government will get 30 cents or so in tax. If the rate goes to \$2.50 a gallon, they will get 50 cents. If it goes to \$3.00 a gallon, they will get 60 cents in tax, as opposed to the old unit tax. It is highly inflationary, particularly in this province at this time. The fact that the Treasurer could walk out of this House and say the budget is not inflationary reveals how very little comprehension he has of the measures he has introduced.

**4:50 p.m.**

This is the same government that sacrificed its federal leader on the altar of lower oil prices only last year. This House will remember how the federal Liberals ran around quoting the Treasurer and the Premier, who said Joe Clark and John Crosbie were profiteering. They decried price increases. They were quoted as saying it was a mistake, a distortion and a clear raid upon the spending power of the average citizen of this province. They said there is only so much one



can take out of the economy by means of an energy price increase before that economy begins to suffer seriously.

That same government is now going to profiteer. It will contribute to inflation and it is protecting no one from its impact. There is not one program to protect anyone from the ravages of inflation.

Under the national energy program oil would go up at least \$4.50 a barrel in 1981, 1982 and 1983. This is the best-case scenario. Of the \$4.50 increase each year the federal government will get \$2.50 off the top through a refinery tax for equalization of the oil price. The remaining \$2 will be reflected in the wellhead price. Alberta will get about 80 cents a barrel out of the \$2. With the new tax structure, Ontario will get 90 cents, but actually \$1.12 because of the \$1.15 Petrofina surcharge added as a result of the national energy program.

The Premier, who has bitterly fought these tax increases, is going to profiteer more than Alberta. The government has all these signs on the roads around the province saying, "Working together with you for Ontario," and "This streetcar brought to you by provincial funding." I think we should hang a little sign on every gas pump saying, "20 per cent of the price of this litre of gasoline is brought to you by the province of Ontario." That would be an honest use of the government's advertising policy—for the first time.

This is the best case. It does not reflect new additional taxes, it does not reflect any new negotiations that come out of Alberta and Ottawa, it does not reflect any increases in refinery, distribution or retail margins of gasoline. Every time they go up there will be a compounded exponential growth in the amount of money the province receives. I am giving members the best; it is going to be much worse.

At best, Ontario consumers will now pay an additional 18 cents a litre instead of the 13.5 per cent they would have paid under the national energy program. This tax is wrong headed, it is unjust, it is damaging and it is cynical. It could not be more incorrect at this time. I would be very surprised if the back-bench members on the government side would view it, in all candour, any more favourably than does our party or do my friends in the party to my left.

The government will get \$489 million in 1981 from increases in OHIP premiums, personal income tax and gas tax. Another \$114 million will come from tobacco and alcohol tax increases and a variety of other tax increases and fees that

only penalize the consumer further. It is very easy to hit those taxes and we are not going to make a major war about that, but we will make sure everybody understands what is happening.

Those who have the most difficult time making ends meet in these inflationary times are the hardest hit by these taxes. About 60 per cent of the increases come from regressive taxes such as OHIP premiums. We must wonder what this government is going to tax next in its major revenue grab in the year after an election. It sounds like a good news-bad news joke, but all we got was the bad news. We did not get the good news that was supposed to come after it.

We have \$603 million in additional revenues this year and no new government incentives to help get the economy growing again. Net cash requirements will increase this year by 25 per cent. It will cost \$5 million a day in interest which has gone up 14.2 per cent, one of the largest increases in spending in the budget. In fact, the government's net cash requirements, its deficit, would have been far worse had it not received \$190 million in additional federal government transfers this year which it had not budgeted for. So one of the windfalls it is profiting from is a mistake in bookkeeping that both governments made last year. This government fiddles around with the deficit every year, as it did last year when it preflowed some expense to drive one deficit down and another one up.

I want to analyse that. If one really understood what the Treasurer was doing he would realize we almost cannot take the numbers we are being presented with very seriously. This government promised to balance the budget in 1981. That was a very major part of the commitment responding to the new mood of fiscal rectitude in this province. He said he would balance the budget in 1981. Then the Treasurer said, "We will balance it in 1984." In this budget, he said, "Well, we did a projection, and even in 1984 the projected net cash requirements will be \$700 million." Then he had the temerity and the outright effrontery to say in the last line of his budget, "it maintains the province's commitment to balance the budget," whatever that means, yet by his own bar charts he is showing net cash requirements in 1984 of \$700 million.

We see this blatant misuse of the truth on a daily basis. We say, "What can we believe?" If members sit with me and listen to people on the streets, they will hear them saying, "What can we believe?" They create such a different impression than what they deliver on. This



promise to balance the budget is highly speculative at best. Last year, the Treasurer projected real growth of 0.3 per cent; in fact, it was down. We had negative growth last year of 0.2 per cent, off half a percentage point. He is projecting 2.4 per cent this year.

The Conference Board in Canada is projecting 0.4 per cent real growth for Ontario, significantly less than the 1.3 per cent growth rate forecast for Canada as a whole. The Treasurer is expecting 106,000 new jobs in Ontario this year. The Conference Board expects 29,000 new jobs and a lot of economists tend to agree with the board.

In commenting on the budget measures, Ben Gestrin, the chief economic adviser of the Canadian Imperial Bank of Commerce, said: "I doubt that under the circumstance, the province will be able to attain the 2.4 per cent growth rate Miller promises or that the number of new jobs will reach his target. The budget is bound to dampen consumer spending, because it is so restrictive. I cannot see these forecasts materializing. If they do not materialize, all of the numbers in this budget will be thrown further out of whack."

Roy Tarsish, the senior economist at the Ontario Economic Council, says he "fails to see how Miller will reach his new job and economic growth targets since there will be less demand by consumers to buy all sorts of products."

Peter Gusen, the senior economist for the Conference Board in Canada, said: "The message of the budget is clear; Ontario is no longer the land of milk and honey."

In fact, this is the price that the voters of Ontario are paying for having elected that government on March 19. Members will be very happy to know that my remarks have come to a conclusion, but I feel moved and obliged to present to you an amendment to the motion.

**Mr. Speaker:** Mr. Peterson moves, seconded by Mr. Sweeney, that the motion that this House approves in general the budgetary policy of the government be amended by deleting the words following "that" and adding thereto the following:

"The House regrets the 1981 budget fails to recognize the most serious and fundamental problems facing Ontario today and condemns the government for: Profiteering from the increase in the price of gasoline by the imposition of an ad valorem gasoline tax which compounds the effect of rising energy prices on Ontario's consumers; its deliberate betrayal of the Premier's commitment of February 2, 1981, to combat

inflation through avoiding tax increases by adding a significant tax burden to Ontario's taxpayers through a major increase in the personal income tax;

"Further increasing OHIP premiums, so that the regressive form of taxation has now risen 109 per cent in five years or at an annual rate of 21.8 per cent, placing an especially unfair burden on low income earners; jeopardizing the quality of Ontario's universities and colleges by continuing to fund inadequately even the basic requirements of a post-secondary system;

"Refusing to recognize Ontario's industrial decline and the need for definitive industrial strategy as well as massive retraining programs for Ontario workers; having no policies to help low and middle-income earners avoid further hardship from the effect of rapidly rising prices; presenting no specific programs to aid small businesses, farmers and home owners to deal with the record-high interest rates; and failing to cut wasteful expenditures while increasing the deficit by almost 25 per cent. Therefore, this government lacks the confidence of the House."

On motion by Mr. Wildman, the debate was adjourned.

5 p.m.

## HUMAN RIGHTS CODE (continued)

Resuming the adjourned debate on the motion for second reading of Bill 7, An Act to revise and extend Protection of Human Rights in Ontario.

**Mr. Sweeney:** Mr. Speaker, I believe I was the one who adjourned the debate last, and I want to apologize to the minister if I in any way inconvenienced him at that time; but this is an important piece of legislation, which the minister himself has indicated on a number of occasions. Not only did I wish to have an opportunity to present a few views of my own, but I also wanted to be sure that the minister himself would have sufficient time to respond to the fairly large number of comments and suggestions that were made by other colleagues in this House from all three political parties.

First of all, let me point out how appropriate it is in this International Year of Disabled Persons that we are dealing with some particular sections of this legislation, those dealing with advanced rights and enhanced rights for disabled people.

When the election was called earlier this year, the minister will recall that a committee had already been struck to sit during the intervening



period between the winter session and the spring session to deal with public hearings on this, and I was one who had some misgivings that perhaps we would not get back to it. I am most pleased, as are my colleagues who have spoken before me, that we have this legislation before us. Knowing this particular minister, I should really not have had any doubts that it would come back sooner or later, and I am glad it has come back sooner.

There have been a number of references to who should or who should not be included in this legislation, and I would like to raise a question with the minister if he would respond to it when it is his turn to get up, and that is, all the way through part I we continue over and over again to make a list, "that without discrimination," and then the list goes on, "race, ancestry, place of origin" and so on.

The question I have to ask the minister is, in each one of those sections why don't we just stop after the words "without discrimination"? Why do we have the list at all? It seems to me that whenever we start trying to include that kind of a list we run into two problems. The first one is the ongoing argument and debate as to who should or who should not be included, and the second one is that inadvertently some group in our society can be left out. I am sure the minister has some reasons, but I would like to hear why we do not. I appreciate that there might be some reasons and there might be a certain set of circumstances when some group might have to be excluded for a particular purpose, but there are other sections in the legislation where arrangements are made for that type of purpose. I would be quite prepared to see that done.

Second, I would like to draw the minister's attention to section 2 of part I, where we deal with, "Every person has the right to equal treatment in the occupancy of accommodation." We have a problem in my particular riding and I would not doubt it is repeated in a number of other ridings across the province—whereby we want to set up small residential homes for retarded young people and retarded adults, but we come into conflict with the local bylaws, the local residential zoning. There seems to be some misgiving, there seems to be some difference of opinion with people outside this Legislature as to whether or not this particular section will deal with that.

Let me be very specific. In this particular case we have an institution called Sunbeam Home. The ministry responsible for it, the Ministry of

Community and Social Services, has indicated that it will not advance capital funds to expand that facility even though the ministry itself admits it is seriously overcrowded. Their recommendation is that instead the institution and its board of directors move out into the community and set up these small residential homes and yet, as I have just indicated, on the other hand they are faced with the dilemma of a municipality that has zoning bylaws which prevent this from happening. Of course, we have the situation over and over again of local residential groups very strongly opposed to this.

I have indicated to some of the people in my community that, according to my understanding, this particular section of the legislation should come to grips with that. I have been advised by others that this is not necessarily so. Once again, I ask the minister, when he responds, to indicate the degree to which this section of the legislation is going to deal with that particular kind of problem.

I point out to the minister that it is a very serious problem. It seems almost insoluble and it appears to be repeating itself over and over again around the province. If the policy position of the Ministry of Community and Social Services remains as it is, that this practice should be carried out, then we are going to be tumbling into this situation again and again.

A third point is with respect to part V of the building code. I am sure it has been brought to the minister's attention. It was certainly brought to the attention of a committee of our caucus when a number of disabled people met with us in late November and early December last year. They drew to our attention the conflict between the intent of this legislation and the actual wording and provision in the building code.

The minister will be well aware of the fact that part V of the building code was added in 1975 specifically to deal with the needs of the disabled. However, it became fairly quickly apparent that there were a number of situations not being met by the wording of that part. It is my understanding that two study groups set up by the government reviewed the legislation and came back with a series of recommendations. Yet, very recently, changes and amendments to part V of the building code have been approved by cabinet, and those difficulties still remain.

If I may take a minute or two, I want to refer to an editorial in the magazine put out by the Ontario March of Dimes, dated April 1981, which states in a clearer fashion than I could put it myself where the confusion lies. I ask the



minister to please speak to it. It is something we on this side of the House often have to draw to his attention, where it seems that two different government ministries are just not getting their act together.

I quote the editorial:

"The bill promises the handicapped person equal access to accommodation, while the building code restricts our access to an apartment building lobby. The Ministry of Labour initiates a handicapped employment program and guarantees the right to equal treatment in employment, while the Ministry of Consumer and Commercial Relations hinders our physical entry into the work place."

Of course, they are referring to the building code again.

"The Canadian Transport Commission orders access to Via Rail, while transportation depots are removed from part V of the Ontario building code. The new human rights code promises access to the provision of goods and service; why, then, are doctors' and dentists' offices, beauty parlours, fire and police stations and many other facilities not included in part V of the building code?"

The Provincial Secretary for Social Development (Mrs. Birch) stated in a speech to the Legislature, "We all have an obligation to make the general physical environment, as well as a full range of social, economic and cultural activities, accessible to disabled persons." Why then does the Minister of Consumer and Commercial Relations, a fellow member of cabinet, insist that the social policies necessary to make these major changes to part V of the building code do not exist?

I cannot put it to the minister in any better words than the final words of this editorial: "What the heck is the policy of the Ontario government towards its disabled citizens?" I certainly ask the minister to speak to that.

My colleague who is the critic responsible in our caucus for this legislation, the member for Hamilton Centre (Ms. Copps), has brought up the question of sexual orientation. She made it very clear that there was not unanimity within our caucus. I think that is well known.

I have spoken on this particular issue in this House on at least two occasions, and I have indicated I believe that, despite his or her sexual orientation, every human being in this province should have access to such things as accommodation and employment. But I have indicated that I have one reservation, and I strongly suspect that, within the minister's caucus as

well, that reservation is somewhat common. And that is a reservation about employment where young children are concerned, whether we are talking about schools, summer camps or whatever it is.

**5.10 p.m.**

I know the observation has been made that either there is discrimination or there is not: you cannot have it partway. I genuinely believe that in this particular situation—and obviously I am not speaking for my party on this; I am speaking for myself alone, and I believe I am speaking for a number of my constituents, and it is on that basis that I make the comment—I would be genuinely prepared to see sexual orientation added to the act if we could find some way to include that one limitation.

I am not sure whether I am reading the act correctly, but section 21(6) seems to indicate that there are times when employment can have certain exclusion factors. As I read section 21(6), it says, "The right under section 4 to equal treatment in employment is not infringed where . . ." and then there is a list of things. For example, education is included in it, and so is age. Now there are very specific restrictions.

The only reason I draw the minister's attention to this is that I do not believe it would be unnecessarily precedent-setting or necessarily inconsistent with the spirit of the legislation if it were put in in that way, because it seems to me—again, I stand open to being corrected by the minister if that section means something other than my interpretation of it—that it would be possible to deal with this very volatile, very delicate and very sensitive issue so as to provide for a certain segment of our community most of their basic rights but to recognize that, at least at this particular time in the history of our society and our province, this is a very real and a very genuine concern of many of our people.

I am not prepared to predict what Ontario society will believe is acceptable or unacceptable five years or 10 years from now. I simply ask the minister to respond as to whether that is even a possible way of dealing with this particular issue.

I want to close my remarks by dealing with an issue that is equally sensitive. About four years ago I had the opportunity to see a film that was produced by the Johns Hopkins Medical Centre. The title of the film was *Who Shall Survive?* It showed a baby who had just been born and obviously had some physical problem. It was quite quickly detected—I believe within 24 hours—that the physical difficulty was a block-



age of the tube into the baby's stomach so that food was not able to pass right through. I understand there is a technical medical term for it, and I am sorry that I cannot remember what it is.

The doctor called in the young parents of this child and drew two bits of information to their attention. First of all, he discussed the physical problem and pointed out to them that the operation was not serious and that the success rate was very high. The other little bit of information that he drew to the parents' attention was that their baby also had Down's syndrome; in other words, it was retarded.

I watched that film—I think it lasted about 15 minutes—and it depicted the decision made by the parents not to have the operation done on the baby. The film went on to show us that over the next 15 days that newborn baby slowly starved to death.

Mr. Speaker, I think I can share with you and the minister that, of the 30 or 40 people who happened to be in the room viewing the film, there was not a single dry eye when it was finished. I know my reaction was one of shock. I did not believe that in our society those kinds of medical decisions could be made any more. I repeat that, other than the physical problem which was surgically correctable, the only other difference between this baby and any other baby was the fact it had Down's syndrome. The baby died.

I appreciate that I am using a very judgmental word, but I remember remarking within that group that this type of barbarity certainly does not happen here. I was rather quickly corrected by being told that those same kinds of decisions are made in the hospital here in Ontario that devotes itself to the medical practice that saves thousands and thousands of children's lives.

I understood that a senior medical doctor on the staff of the Hospital for Sick Children had written a report detailing that same type of procedure in that hospital just down the street from this Legislature. I do not think the minister will be surprised to understand that I had some difficulty getting a copy of that report. I finally got a copy of the *Journal of Paediatric Medicine*, in which the report was completely detailed.

It described this operation and it pointed out that every time the operation was done the medical success rate was well over 80 per cent. It also pointed out, simply as a matter in passing, that during a 15- to 20-year period at that hospital, 56 babies who had this medical problem also had Down's syndrome, and 44 out of

that 56 did not have the operation. It did not have to go on to point out that those babies died, because I have been told by medical personnel that is all that can happen.

In other words, that is right here.

This piece of legislation deals with human rights. I suggest to the minister that is a glaring omission in this legislation. I fully appreciate the right of parents to make certain fundamental decisions about their children, but I question whether parents should have the right to decide if their children are going to live or die.

The minister might be aware of a comparative study done in England and in Philadelphia with respect to children who had spina bifida but who also had other medical complications. The report seems to indicate that a medical clinic in London, England, dealing with this situation and advising the parents, ended up with 95 per cent of the parents choosing not to have the necessary correctable medical procedures done.

In Philadelphia, another doctor with a similar kind of clinic dealing with exactly the same problems and advising his parents, had 75 per cent of the parents choosing to have the operation done. This is clearly an indication that we are not just talking about parental approval, although that is a factor.

I do not know the extent of this kind of practice in Ontario today, but I do know there is sufficient evidence that it has happened and may be continuing to happen.

**5:20 p.m.**

I fully appreciate there is no mention in this legislation with respect to it. However, if we are going to talk about rights, it seems to me we must really mean, as the second opening paragraph says, that it is going to be "public policy in Ontario to recognize that every person is equal in dignity and worth."

We have to be looking at some of the medical practices that are taking place in Ontario and at some of the decisions that are being made, and determine whether in this most auspicious year, this International Year of Disabled Persons, there is not something else we can do with this legislation as well.

I am generally pleased with the legislation. I support it. I am only asking if we cannot go one step further.

**Hon. Mr. Elgie:** Mr. Speaker, my remarks will be rather brief—first, because we have had the opportunity in December to review essentially the same bill in great detail and, second, because



we will have a lengthier time in committee to review it on a clause-by-clause basis. But I think there are things that need to be said.

I am sure what strikes each of us about this proposed amendment to the human rights code is the degree of consensus there is about it, both within this Legislature and outside. I do not say that with any pride of authorship. We all know there is a very fine balance in society with regard to respect for human rights. There will be many who will say we have gone too far, and there will be many who will say we have not gone far enough.

All of us who have reviewed comments over the past few months can honestly feel we have achieved a good balance in this legislation which the majority of thoughtful people in society can accept. We can all take a certain amount of pride in the degree of consensus we have been able to establish, and the credit for that goes to each and every member of this Legislature. The comments have been favourable all the time, and the rights have never really been at issue.

The member for Scarborough West (Mr. R. F. Johnston) and the member for Brant-Oxford-Norfolk (Mr. Nixon) have both talked about the fragility of the respect for human rights. In the case of the member for Brant-Oxford-Norfolk, he spoke about his concern that "there is an increasing amount of prejudice in society; indeed, worse than it was 20 years ago."

The respect for human rights is a fragile thing in society, but we can all take heart from the fact that, in spite of what I look upon as a healthy change in the cultural and racial mix in our community, in my view respect for our fellow human beings has continued to increase over the years.

I took great interest in the article written recently by Sol Littman in the *Toronto Star*—I am sure many other members read it too—in which he said that Ontario had always been a little bit ahead in terms of human rights legislation compared with some of our surrounding states. Because of that, he said, we have avoided some of the pitfalls others have fallen into. That does not mean everything is perfect, because life is not perfect. It does mean we have been able to have a certain social framework that we as legislators feel is appropriate and that indicates to people where we draw the line and what we say is discrimination that we will not tolerate.

I do not agree with the member for Brant-Oxford-Norfolk, although I understand

what he is saying. He and the member for Mississauga South (Mr. Kennedy) and myself have each had relatives in this Legislature in the 1930s and 1940s. I ask him to look back on those days and recall the signs that were on the beaches in Toronto. Although he can talk about what happened in the barber shop back in Brantford, 30 or 40 years ago those barber shops had certain restrictions—not in Brantford, but in other areas of the province. Those things are gone; so I think we are seeing a change. I am a little distressed that the member thinks things are worse than they were in those days.

Frankly, I see nothing but a growing respect for human rights and the need to be progressive and to address new problems as they arise. What is significant about this legislation is that, if adopted, it will put this province in the forefront with regard to human rights in this country.

If I may, I want to refer to some of the specific remarks that were made by various speakers, not necessarily referring to them specifically. There was one comment made criticizing the reporting relationship through the Minister of Labour. We talked about this last December.

When the Ontario Human Rights Commission was first established, it dealt with problems that were primarily related to employment, and employment problems came within the purview of the Ministry of Labour. So it was a rather natural course of events that led to it being placed there.

Over the course of the years, the human rights commission has started to develop a certain independent initiative, such as the recent publication of *Affirmation* which, as the member for Scarborough West said, is an excellent, provocative editorial comment put out regularly by the commission. I think it is a great addition to the armamentarium they have.

As I am sure members know, the commission now produces an annual report which is reviewed by all of us who are part of the particular committee that reviews the Labour estimates. So there is that kind of reporting relationship that had its natural origins, and we have seen the human rights commission expand its areas of interest in terms of an annual report, and *Affirmation* and reaching out into the community.

I am certain members who have read the act have noticed that in this present legislation the human rights commission is not attached to any particular ministry. That is in recognition of the fact that times may change from year to year and decade to decade. The Premier and the



executive council may decide at another time that it is more appropriate to have human rights delegated to another ministry or some other part of the government. We have addressed that particular issue, and I do not think one need be concerned that there is anything inappropriate about the reporting relationship through the Minister of Labour.

Someone made a remark that troubled me a bit. They called the human rights commission a reticent tribunal. I have always felt there are two ways to face human rights. There is the whistles-and-drums approach; then there is the solid, thoughtful consideration of problems, trying to conciliate issues and get a resolution that does more for society than the whistles and drums approach. I still believe in that approach.

I do not think the human rights commission should have been subject to some of the criticism it has had, because it never has believed in whistles and drums, and neither do I. Their accomplishments are many, but it is done in a conciliatory way that does not satisfy some people who like the other approach.

There has been some criticism with regard to delays and backlogs. Nobody argues that there are problems with that. The backlog has been reduced drastically over the past six months or so, but let us also acknowledge why there are delays.

The problems are getting more complicated. More important, or equally as important, there is no time limit with regard to the duration of a period for the filing of a complaint. The commission is now faced with complaints dating back five, six, eight or 10 years. That gets to be a very difficult problem to investigate. It is one that is corrected in this human rights proposal in that one can only come with a claim that goes back several months. That sort of thing will help to resolve the delay and backlog problem they have faced.

**5:30 p.m.**

It was suggested that perhaps the problem was one of funding and staffing and why did we not fund and staff them like the Ombudsman. I think we should know the facts before we say things like that.

For instance, the estimates of the Ontario Human Rights Commission for 1981-82 show a total budget of \$4,137,000, not including additional amounts that will be made available for the addition of the handicapped and other new provisions of this code. On the other hand, the Office of the Ombudsman, for the same period 1981-82, has estimates of \$4,693,000.

If one takes into account the fact that the handicapped employment program in my ministry is directly related to human rights, with a budget of more than \$500,000, and that the equal pay portion of the employment standards has a very large section, and if one takes into account the money that is distributed by the Ministry of Culture and Recreation for activities that have a human rights relationship, then one would have to say that the budget available for human rights matters in this province is pretty large. I think that is a bum rap, to put it quite mildly.

I think the commission at the present time is well staffed and well funded but, with the passage of these amendments, there is no doubt that further funding will be required, and that is acknowledged.

Several members have spoken about problems related to the handicapped. The member for Windsor-Walkerville (Mr. Newman) has had a particular interest in this over the years. He can take a great deal of pride in the genesis of this kind of legislation in this province. Although in my opinion as a physician it was not necessary to do so, we have with some degree of specificity added diabetes mellitus to the definition of handicapped, simply because of concern expressed by him, along with other members in this Legislature. Frankly, I tell him as a physician that it was covered in any event, but for greater certainty we have included diabetes mellitus as well as epilepsy, because they were two areas of special concern to many members in this House.

The great question that has troubled many with regard to the physically handicapped has been the question of access. As I said in the debate in the House last December, we have endeavoured to look at human rights legislation as legislation dealing with attitudinal discrimination in society.

Along with our colleagues in Saskatchewan and in the federal government, we have felt that questions with regard to access should be dealt with after there is a *prima facie* finding of attitudinal discrimination. We think that is appropriate and goes further than the federal legislation, where they only have the power to recommend access changes. Our legislation, in line with what our colleagues in Saskatchewan have done, says that where there is discrimination, access may be ordered by a board of inquiry so long as it does not cause undue hardship.

My colleague the member for St. George and



other members have brought up the question of age. I said last December, and on this occasion, that age has been a very difficult question for us. The member for York West (Mr. Leluk) has for years been a great advocate of raising the mandatory age of retirement. With the exception of the third party, most of us in this House have felt emotionally that sort of thing is appropriate. I raised in my remarks last December, and again now, the fact that there are problems and that one only has to look south of the border where Congress is now looking at the effects that raising the age of mandatory retirement may have had on pension benefits made available to people. They have—

**Mr. Haggerty:** They are going to raise the retirement age because the pension plan in Ontario is pretty nearly broke. That is the only reason they have done it.

**Hon. Mr. Elgie:** That is exactly what I am talking about. It was one of the member's colleagues who very anxiously wanted to raise the age of retirement. I want to tell him that, emotionally, we all want to do that, but in doing so we must make sure we do not deprive people of certain rights they expect, and rightfully expect, when they retire.

We should not rush headlong into that; we should recognize that we must not deprive people of certain benefits they have come to expect following retirement, and we must be sure that we do not interfere with hiring and personnel practices, and with the problem of youth unemployment, by acting very hastily over an issue that we have strong emotional feelings about.

On the question of family status, with regard to multiple dwellings with a common entrance, again, I said last December and in public that we view this as a very difficult problem. There are people in society who choose not to have children, and that is their privilege. There are people in society who, having raised their children, choose to move into accommodation where they will be with adults. It is a very difficult balance, but one cannot cherry-pick in this life. If the members will read *Life Together*, they will see that the commissioners recognize that primarily it was a housing shortage problem and not a human rights issue and that it was a problem confined to three or four centres in Ontario.

That is the position this government takes, that it is a housing issue and that it should not be confused with a human rights issue. I appreciate the views of groups such as Justice for

Children—heavens, I have five children of my own, and I have been through the process—but I think that again we have to respect the balance of people's rights in society and not confuse a housing problem with a human rights issue. I think that is the approach we have decided to take, and I hope that members will agree with it.

I will not comment in detail about the addition of harassment or of sexual harassment to the code. I am a little disappointed that some members object to the definition of sexual harassment. I think if they read the act carefully, they will see that the word "persistent" is not involved whenever there is some disciplinary action taken by a person in authority, so there is no discussion of persistence or patterns of conduct. If there is a reprisal, then there is immediate coverage within the act.

The element of persistence is one that has been raised in many briefs by a number of women's groups, recognizing that there are relationships in life and in the work place that are sometimes difficult to judge. That is the only reason we have endeavoured to move into this area, as the first province to do so, with a degree of respect for certain rights, but also drawing the line and saying that if there is a reprisal involved, there is no question of persistence.

Last December and again this year, members have talked about the lack of a section on class actions in the human rights code. I think those who have been involved in the study of law know that class actions in this province and in this country generally are very difficult actions. There are so many impediments to them that very few of them come to fruition; indeed, it is an issue that is being reviewed by the Ontario Law Reform Commission at this very time.

I would point out that there are now two Supreme Court cases which have allowed civil actions based upon a prohibition within the code; therefore it is now possible to have a class action, with the impediments that go with it in this province, at the present time in the civil courts.

I would also remind the members that if they read *Life Together* carefully they will see that *Life Together* did not specifically talk about class actions. It talked about what we have interpreted as group actions, and the human rights commission has the right to group actions now under the proposed legislation.

The member for Scarborough West (Mr. R. F. Johnston) and the member for Riverdale (Mr. Renwick) have raised concern about the provision of section 41, which requires permission of



the Attorney General with regard to prosecution. I disagree with the member for Riverdale. That is not an uncommon procedure; indeed, if he reviews the Labour Relations Act, he will find the same process takes place there, except that in that particular legislation it is the Ontario Labour Relations Board that has to give approval to prosecute.

If we look at the sections we are talking about—section 30(6), for example, “No person shall hinder, obstruct or interfere with the person who is investigating a complaint,” et cetera, so there would be a criminal charge being laid against somebody for hindering or obstructing—to our point of view and to the Attorney General’s point of view that is something where there should be permission to prosecute required of him. A similar logic applies to section 8.

I ask members to consider those two things very carefully because they will find that is quite in keeping with legal tradition and does not impose any onerous burden or limit the rights of people to bring action under the Ontario Human Rights Code.

**5:40 p.m.**

The member for Scarborough West and the member for Riverdale were both critical of the new section 12, suggesting it was not as extensive as section 1(1) of the old code. I ask them to read not only section 1(1), but section 1(2) of the old code and then compare them with section 12. I think they will agree section 12 is much broader. Indeed, with the elimination of the old section 1(2), section 12 takes on a whole new connotation. If they read it over and take the whole section 1 of the old act into account, they will agree.

Many members talked about what they perceive as inadequacies of the code relating to affirmative action for women in the work place. I do not follow that logic. Here we have a new code which, for the first time in Canada, prohibits sexual solicitation and harassment; a code which now is fully extended to family and marital status; a commission which will have the power, on its own initiative, to recommend affirmative action programs to correct historical discrimination; a board of inquiry with confirmed powers with regard to ordering affirmative action programs, and, in addition and unknown to most of us because the conciliation process is a private one, several affirmative action programs per year initiated by conciliation.

I suggest this is a broad code, broader than

any I know of in Canada, which respects the role of women in society and, in particular, in the work place. It should be commended rather than commented upon with regard to its perceived shortfalls.

The member for Riverdale pointed out the major areas of concern that his party will have. I will not go over them in detail because he spoke to me beforehand, really just to give me information about proposed amendments so we can do some thinking about them while we wait for the bill to go to committee.

The member for Kitchener-Wilmot (Mr. Sweeney) suggested he was sorry he inconvenienced me last Friday. It was not a question of inconvenience; I had understood there was an all-party agreement that the legislation was finished and could get on to committee. If I seemed disappointed, it was because of that.

I think it is important legislation. I have worked hard to get it before this House. I have a conviction it is good and that it should go some place. Perhaps it was my disappointment that it was going to be delayed, even though I thought there was an understanding among all parties.

The member for Kitchener-Wilmot has asked why there is a list of prohibitions, why we do not loosen it all up as the member for Riverdale said. There is no argument about it. There are two schools of thought: one that it should prohibit discrimination in general and let society work out the ramifications as new situations arise; the other that there should be some degree of certainty with regard to the areas prohibited within this code so those who are in charge of the commission—the commissioner, the investigating officers and the conciliation officers—have some certainty about the matters they are assigned to deal with.

I happen to agree with that. I think they have had a difficult time in British Columbia where they have the reasonable-cause provision. The certainty that is in this bill and in all other similar legislation, except for BC, has been written for the same reason: to provide a degree of certainty in the minds of the public and those in charge of the Ontario Human Rights Code—the commissioner and the officers who work within that system.

I do not know the answer to the group home issue and the effect this bill may have on it. It may be tangential or it may not. Certainly I have not explored that in great detail. Perhaps we can do that when it is at committee level.

Part V of the Ontario Building Code was mentioned. That does not come under my



ministry and I do not propose to comment on it. With the publication of the most recent amendments to part V, the minister made it clear that consultations with regard to further change will continue. I accept that and I ask members of this House to accept that.

Section 21(6) was raised by the member for Kitchener-Wilmot and I think he may have some things we will want to talk about when we are at the committee level. He recognizes the reason for that section, as he recognizes the reason for section 17. Section 17, as members will recall, deals with the rights under part I to nondiscrimination because of creed, and goes back to the British North America Act and the Education Act. Section 21(6) simply represents a recognition of the rights that certain religious groups and other groups have in society to have certain things in common. If members have any comments and suggestions that they think are valuable, we would be pleased to go over the section in great detail when the bill is reviewed in committee.

Finally, and I don't say this with any disrespect, I don't propose to get into a discussion of the presence or the absence of medical ethics in the past, present or future. Those are matters that are not dealt with in this legislation nor by this minister. The member for Kitchener-Wilmot knows where those matters can be discussed.

Motion agreed to.

Ordered for the standing committee on resources development.

#### MASSEY-FERGUSON LIMITED ACT

Hon. Mr. Grossman moved second reading of Bill 48, An Act respecting Massey-Ferguson Limited.

**Hon. Mr. Grossman:** Mr. Speaker, as the members are aware, extensive and ongoing discussions have been taking place between our government and Massey-Ferguson Limited for a substantial period of time. Those discussions, which began last August, have involved more than 250 international banks and financial institutions, as well as the federal government, Massey-Ferguson and its financial advisers.

**Mr. Laughren:** The minister took them all on.

**Hon. Mr. Grossman:** And won as always.

The discussions reached a critical stage in early February of this year when the international banks, including the Canadian Imperial Bank of Commerce and other financial institutions, agreed to provide Massey-Ferguson with

\$520 million conditional upon the company raising an additional \$200 million in new equity investment with the support of the federal and Ontario governments.

The agreement Canada and Ontario were negotiating with Massey—and I should pause to point out to the members of the House that there are still ongoing discussions and negotiations among all the parties—involves an issue by the company of up to eight million series D preferred shares having a stated value of \$25 each. Canada and Ontario's liability is apportioned at 62.5 per cent and 37.5 per cent respectively, with Ontario's dollar liability limited to an amount not exceeding \$78 million.

**Mr. Laughren:** Is it Larry Black or Conrad Grossman? Which is it?

**Hon. Mr. Grossman:** Do I look like him?

**Mr. Laughren:** Yes.

**Hon. Mr. Grossman:** Hardly. I look more like the member than Conrad Black.

The rate of interest proposed is one half the Canadian prime rate plus 1.375 per cent. These shares will be purchased by private investors. Canada and Ontario will be required to purchase the series D shares from their holders during the 10 years to 1991: (1) if Massey-Ferguson fails to pay dividends on the series D shares when payable, or (2) fails to redeem any series D preferred shares in keeping with the retraction privilege effective in 1991, or (3) voluntarily winds up or dissolves, which is highly unlikely.

The organization and affairs of Massey-Ferguson have been extensively reviewed by all participants in the refinancing package, including the international financial institutions involved and financial advisers to both governments. In addition, an independent report was prepared by an international firm of chartered accountants and business consultants.

**5:50 p.m.**

It is the considered opinion of all participants that, given the implementation of the \$720-million refinancing plan, the outlook for Massey-Ferguson is favourable and the company has good prospects for a sound future. As part of the collective decision to become financially involved, our government agrees with the other participants in the refinancing plan that there is every reason to believe the company will survive and return to a position of strength. Further, it is our expectation that the federal and Ontario government guarantees will never need be exercised or called upon.



The members of the assembly will recall our talking in question period and at other times about the kind of commitments we would require of Massey-Ferguson in exchange for a refinancing plan. In accordance with the responses this government has given over time, I wish to report to the House today that, in return for making it possible for the Massey-Ferguson corporation to complete its refinancing plan, the governments are indeed negotiating an agreement that will include a great number of commitments from Massey-Ferguson.

**Mr. Cooke:** Let us hear about the commitments.

**Hon. Mr. Grossman:** The member will hear about the commitments.

**Mr. Cooke:** Is the minister going to negotiate the agreement we vote on today?

**Hon. Mr. Grossman:** We have to have the power to do it first. While many of the covenants are still under negotiation, as I indicated earlier, the principal undertakings, which have now been agreed to, involve a major effort on the part of Massey-Ferguson to Canadianize its operations.

**Mr. Cooke:** Let us see the documentation.

**Hon. Mr. Grossman:** The member will when it is ready.

**Mr. Cooke:** After we vote on it.

**Hon. Mr. Grossman:** The company has agreed to maintain and upgrade its production facilities in Canada; to ensure that any major North American investments for new product lines or for increased production capacity will indeed be made in Canada; to increase exports from Canada; to expand its efforts to source raw materials, to source machinery and to source equipment in Canada; to place increased emphasis on research and development in Canada, and to emphasize employment in Canada by maintaining at least a proportionate share of jobs in this country in accordance with the present employment levels.

**Mr. Stokes:** What principle of the bill are you speaking to, or are you just ragging the puck?

**Hon. Mr. Grossman:** Just ragging the puck.

Mr. Speaker, the recent decision by Massey-Ferguson to close its operation in Des Moines, Iowa, will result in 220 new jobs in the great municipality of Brantford. Where is the member—the member who just stepped out for a moment and the former member who stepped out last fall. It will also result in 35 new jobs in

this municipality, Toronto. This attests, I believe, to the commitment and good faith of the company as the negotiations continue.

**Mr. Cooke:** You just lost all the support in Brantford.

**Hon. Mr. Grossman:** Seventy-five million and I lost them all. Do not write that down.

There will be an opportunity for both the federal and Ontario governments to monitor the progress of the corporation and in particular its efforts to Canadianize operations. We intend to work closely with Massey-Ferguson to ensure that this particular objective is met within a reasonable time frame.

**Mr. Laughren:** That will make the international bankers nervous.

**Hon. Mr. Grossman:** They know they are in good hands.

We anticipate that final agreements will be signed by the company, all the banks involved, all the financial institutions and all the governments next month—that is mid-June. For those members of the assembly who have been concerned about the contents of those agreements, I can assure all members those agreements will be tabled in this Legislature upon completion. I cannot table contents of an agreement that has not yet been signed and for which the negotiations are not yet complete.

Further, the other parties to the negotiation require—rather sensibly, I believe—that all parties to the negotiation be in a position to meet their obligations under the agreement and negotiations prior to signing. That is precisely the point of the legislation before the House. It authorizes us simply—

**Mr. Laughren:** You have your majority; is that not good enough?

**Hon. Mr. Grossman:** We believe that even though we have a majority, we have to go the legislative route to get authority.

Massey-Ferguson Limited, as is the case with the NDP, has been going through a difficult time.

Interjections.

**Hon. Mr. Grossman:** Wait till you hear the next sentence.

These difficulties have placed a severe strain on management and staff at all levels of the operation—like the NDP.

**Mr. T.P. Reid:** The NDP don't have any management.

**Hon. Mr. Grossman:** But they are strained. I know all members of the House will join me

in saying that the employees of Massey-Ferguson should be commended for their commitment to the corporation during the difficult period of time the company has gone through. As one member of this assembly who has visited the assembly line in Brantford twice in the last 12 months—something I should point out that the former member who was speaking did not do—I can attest at firsthand to the dedication of the employees to the job at hand and to the wellbeing of the corporation.

I am sure all members of this House will join me in applauding the degree of commitment those employees maintain for the firm and the product they make. The employees have made sacrifices already; they continue to be willing to make the necessary sacrifices to maintain the firm's operation, they continue to turn out a quality product and they continue to have faith in the future of the firm.

All levels of the corporation are to be commended for the way they have handled the past eight or 10 months. As we have seen with other companies, it is not easy to go through a period during which the public affairs of the company are being scrutinized and the business difficulties of a company are being spread across the front pages of literally every newspaper in the world.

To have been able to survive that sort of adverse publicity, and to have been able to survive that sort of attack on market share which comes from undermining the belief in purchasers that there will be a company in place to service and repair equipment later on down the line, required a great deal of co-operation, perseverance and dedication by all members of the Massey-Ferguson corporation.

In particular, Mr. Victor Rice, Massey's chairman and chief executive officer, deserves a great deal of commendation for his persistence and determination in assembling what is really a

tremendously complex financial package, involving many segments of the world banking and financial community.

**Mr. T.P. Reid:** How about Conrad Black? Will he be included?

**Hon. Mr. Grossman:** No, he won't be included in my remarks today.

The fact that Massey-Ferguson exists today as a viable operation, still maintaining number one market share worldwide in spite of the adverse publicity it has had, is due largely to the efforts of Victor Rice.

I should like to express as well the appreciation of our government for the support, co-operation and involvement of the federal government and particularly the efforts—

Interjections.

6 p.m.

**Hon. Mr. Grossman:** —now I am running short on time—and particularly the efforts of my good friend the federal Minister of Industry, Trade and Commerce.

Finally, the dedication of the new member for Brantford (Mr. Gillies) to the people of his community should be given full recognition by this House.

**Mr. T.P. Reid:** Where is he?

**Hon. Mr. Grossman:** He is meeting some constituents right now as we speak. He will be back in the House in a moment.

Even before his election to this Legislature, that member served as an effective spokesman for the concerns of his community, and more specifically for the needs of the employees of Massey-Ferguson. We look forward to his continuing involvement as negotiations are finalized.

The future of Massey-Ferguson is important to both our province and this country. We wish the company great success, and welcome the opportunity to participate in its renewed strength and viability.

On motion by Mr. Elston, the debate was adjourned.

The House adjourned at 6:01 p.m.



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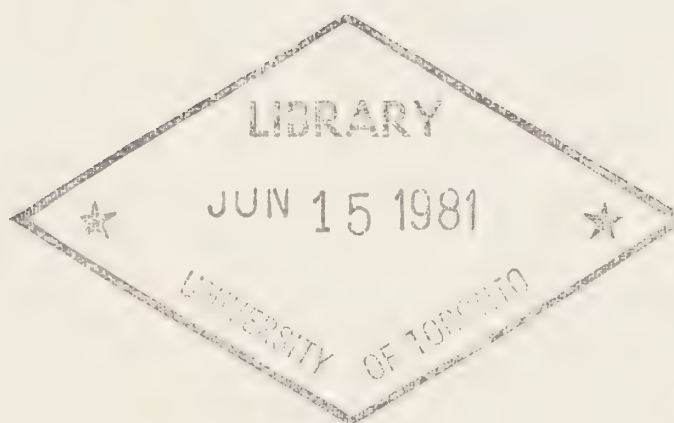


Ontario

No. 28

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**  
Tuesday, May 26, 1981  
Afternoon Sitting

Speaker: Honourable John M. Turner  
Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

**Tuesday, May 26, 1981**

The House met at 2:02 p.m.

Prayers.

## REPORT OF THE OMBUDSMAN

**Mr. Speaker:** I beg to inform the House I have today tabled the eighth report of the Ombudsman.

## STATEMENT BY THE MINISTRY

### MINISTRY LEGISLATION

**Hon. Mr. Drea:** Mr. Speaker, it is my privilege today to present for first reading, the Ministry of Community and Social Services Amendment Act, 1981.

The amendments I am introducing are required to give added authority to and to clarify existing authority of the ministry with respect to the general administration of its programs. For the interest and information of the honourable members, I would like to summarize briefly the legislative changes I am proposing.

First, as an amendment to the existing act, we will be seeking the legal right to recover from a third party, benefits paid or provided by the ministry to a recipient who has a valid claim in law against the third party. As an example, this amendment would apply in cases where, as a result of a serious accident caused by a third party, an individual required institutional care in a facility operated by the ministry.

A second amendment in this new legislation will permit *ex gratia* payments by the ministry for damages to or by persons under ministry control or supervision. In the past, if a ward of the ministry caused injury to a member of staff, the ministry had no statutory authority to provide compensation unless the ministry was held to be liable for the damage. The relevant section of the act being introduced today allows discretionary authority for the ministry to proceed, where appropriate, with an order from the Lieutenant Governor in Council.

A third amendment concerns the taking of affidavits under the Family Law Reform Act. At present the Attorney General (Mr. McMurtry) must issue temporary commissions for parental support workers in the ministry, who, in the course of their duties, assist recipients of

social assistance through the taking of affidavits. The amendment to the act permits certain employees of the ministry to be designated for the purpose of obtaining affidavits under the Family Law Reform Act.

The fourth major amendment broadens the authority of ministry auditors to investigate the financial records of those receiving payments under ministry programs. This change is consistent with authority now conferred upon the Provincial Auditor under the Audit Act, 1977.

The fifth amendment simply clarifies that the minister may delegate his authority under the Executive Council Act to sign agreements. As members may be aware, other ministries have within recent years added such an amendment to their respective ministry acts.

Those, I say to the honourable members, are the legislative changes proposed in the Ministry of Community and Social Services Amendment Act, 1981. I am confident they represent required and significant improvements to the general administration of our programs.

## ORAL QUESTIONS

### ASSISTANCE TO FARMERS

**Mr. Nixon:** Mr. Speaker, I would like to direct a question to the Minister of Agriculture and Food. Now that our budgetary commitment to the farm economy has been made by the Treasurer (Mr. F. S. Miller) earlier this week and we find that with nonbudgetary amounts removed it is \$191 million, how does the minister expect our farmers to compete with similar farmers in Quebec, where their budgetary commitment for only about half the number of farms is \$342 million? Does he not feel his efforts with his cabinet colleagues have been insufficiently successful, and that our own farmers are suffering unduly because of a lack of interest rate assistance and other programs, because of that budgetary position?

**Hon. Mr. Henderson:** Mr. Speaker, I have answered this many times in the past. The honourable member appears to be trying to protect the party in Ottawa that is responsible for the high interest rate. His party has to take total responsibility; we have made that quite



clear on all occasions.

**Mr. Nixon:** Supplementary: Is the minister not aware that, aside from the rhetoric and the political posturing he is undertaking, there are literally hundreds of farmers, some of them in Lambton county, who are being phoned by their bank manager day after day? Under these circumstances, because they cannot compete with the farmers in Quebec, they cannot have a civil word with their wives and they cannot plant a straight row of corn. If the minister thinks Pierre Trudeau pays the budgetary requirements of Quebec, then the minister is simply wrong.

Is the minister not aware that Quebec has available in programs three times the number of dollars per farm that we have in Ontario, and still our cattle producers are competing on the same Toronto market with truckloads of cattle that come up from that province?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable member apparently was not here last Friday when, in a statement, I pointed out to this House what was happening to our hog producers in Ontario. We have exactly the same stabilization program as is in effect in Quebec, yet the government of Canada penalized the Ontario farmers by \$7 million because we have a plan and it said Quebec has none. Since that time we have proved that Quebec does have a plan. We have conveyed this to Ottawa but to no avail. That is a sample of what is happening. The government of Canada is catering to other provinces.

**Mr. Nixon:** As a sample of what is happening, is the minister aware that Quebec has seven distinct interest assistance programs, together with subsidies for livestock producers, that are not paralleled by programs in Ontario, and that its budgetary commitment is substantially greater than that in this province and we must compete directly against it? How can the minister face the farmers in this province, who have to face their bank managers almost on a daily basis, by simply rejecting that situation with the political arguments he has put forward?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable members do not want to accept the facts. Their partners in Ottawa are creating the high interest rate that is destroying not only the farm economy but the whole society. Let the members opposite look wherever they want to, they must accept the responsibility in Ottawa for the high interest rate.

## HIGHWAY 404 CONSTRUCTION

**Mr. Nixon:** Mr. Speaker, I would like to put a question to the Bobbsey twins sitting at the end of the row, but since the rules do not permit me to question two ministers at once I will direct it to the Minister of the Environment, who has the sacred trust to administer the Environmental Assessment Act.

**2:10 p.m.**

How could he permit his officials to tacitly approve the construction of Highway 404 in the Aurora area without fully completing the environmental assessment requirements that are established by this Legislature? If he feels they should not be respected, should he not be bringing in amendments to this House to change those environmental assessment requirements?

**Hon. Mr. Norton:** Mr. Speaker, I want to make it very clear to the honourable member and other members of this House that there was no approval, tacit or otherwise, on the part of the officials of my ministry in terms of the construction of that highway being proceeded with. If that is the impression under which the member is labouring, I would like to relieve him of that immediately.

I would say, though, in view of the fact that the member is not going to be able to ask the other Bobbsey twin a question—at least not immediately—that in so far as there had been construction proceeding, that other ministry had, in every respect, been complying with the conditions that had been attached to the environmental assessment, although there had been no approval of that assessment because normally that would take place at the end of the 30-day period.

**Mr. Nixon:** Supplementary: Since a communication signed by the minister's environmental planner says, "Conclusion: This work is in clear violation of the act and should be halted immediately," has the minister taken steps to halt it, or is he consulting with his colleague the Attorney General (Mr. McMurtry) about the steps that should be taken to bring his colleague the Minister of Transportation and Communications (Mr. Snow) under some semblance of the rule of law?

**Hon. Mr. Norton:** Mr. Speaker, I thought of seeking a minimum of two years because I thought he really did deserve to spend—

**Mr. Nixon:** A minimum of two years?

**Hon. Mr. Norton:** Kingston weather is very good at this time of year.

Seriously, I would like to point out to the honourable member that construction has stopped on the highway. As a matter of fact, my colleague, at the request of the Premier (Mr. Davis), has ceased construction and the matter will be fully reviewed tomorrow by the whole of cabinet.

**Mr. Samis:** Supplementary, Mr. Speaker: Could the minister explain how the deputy minister was able unilaterally to continue the project in clear violation of the act? Second, would he be prepared to table the report of his own ministry criticizing the environmental report done by the Ministry of Transportation and Communications?

**Hon. Mr. Norton:** Mr. Speaker, first of all, the fact is that the matter was proceeded with without approval. The first part of the honourable member's question was how could it happen; well, it simply happened. I am sorry, would he repeat the second part of his question?

**Mr. Samis:** This is only Tuesday, Mr. Speaker, and this is the easy part of the question: Will the minister table the report of his own ministry which criticized the environmental report done by the Ministry of Transportation and Communications? Will the minister table that report with this House?

**Hon. Mr. Norton:** Unless the member is speaking about something other than what I think he is speaking about, I believe that was released at the beginning of the 30-day period along with the comments and conditions that would be attached to any approval.

**Mr. Nixon:** Supplementary, Mr. Speaker: The minister, or at least his predecessor, has exempted many important projects from environmental assessment. We do not have to list them, but South Cayuga is one of the most readily brought to mind. The delays in the environmental assessment are in some respects dislocating. Does the minister have plans to improve the application of the requirements of the Environmental Assessment Act so it will apply uniformly and its findings will be available, so that the work of other ministries will not be unnecessarily held up?

**Hon. Mr. Norton:** Mr. Speaker, at this point I do not have specific plans, but I can assure the honourable member that is one matter I have under review. I think it is essential for the full and complete application of the legislation that we make every effort to make it possible for such environmental assessment to take place

without creating unnecessary frustration or, in some instances perhaps, resistance to the full operation of the legislation.

## ESTIMATES

**Mr. Speaker:** Do I have the consent of the House to read a message from the Lieutenant Governor?

Agreed to.

**Hon. Mr. McCague:** Mr. Speaker, I have a message from the Honourable the Lieutenant Governor signed by his own hand.

**Mr. Speaker:** By his own hand, John B. Aird, the Honourable the Lieutenant Governor, transmits estimates of certain sums required for the services of the province for the year ending March 31, 1982, and recommends them to the Legislative Assembly, Toronto, May 26, 1981.

## MINERAL RESOURCE TAXATION

**Mr. Martel:** I have a question for the Provincial Secretary for Resources Development if someone can get his attention. Between the years 1975 and 1980 the government of Saskatchewan was able to generate 64 per cent more revenue in actual dollars on its nonfuel mineral resources than Ontario, with less than 30 per cent of the production. In view of the fact the Treasurer (Mr. F. S. Miller) just the other night socked it to the people of Ontario to the tune of \$600 million, can he tell us how long this government intends to wait before it gets a decent return on its minerals for this province?

**Hon. Mr. Ramsay:** Mr. Speaker, I cannot tell the honourable member how long that is going to take.

**Mr. Martel:** Mr. Speaker, after that great answer, might I ask the minister a supplementary question? Does he realize that if Ontario had taxed its nonfuel resources at the same rate as Saskatchewan or Alberta it would have generated \$400 million more in taxes in 1980, and in the past six years an additional \$1.9 billion for the Treasury of Ontario?

**Hon. Mr. Ramsay:** Mr. Speaker, I am not aware of those figures but I would be happy to study the matter at my earliest convenience.

**Mr. T. P. Reid:** Supplementary, Mr. Speaker: While the minister is studying those figures, does he intend to contact his federal counterparts to see if there can be a rationalization between the province and the federal government in their taxation policies on the mineral sectors in Ontario?



**Hon. Mr. Ramsay:** Mr. Speaker, I do not see any problem at all in contacting my counterparts, getting all the necessary information and doing a comparison. Yes, I will be happy to do that.

**Mr. Laughren:** Supplementary, Mr. Speaker: Would the Provincial Secretary for Resources Development once and for all refute the arguments that have been made by other ministers of his government that taxing resources at an adequate rate of return would drive away investment and discourage exploration?

In Saskatchewan in 1978 exploration spending was \$70 million as compared with \$18.6 million in Ontario; for 1979, the last year I have available, it was \$89 million in Saskatchewan and \$23 million in Ontario. Does the provincial secretary not agree, given those figures, it is possible to get an adequate return on resources and still have access to exploration and investment in the mineral sector in Ontario?

Finally, while he is musing on that one, could I ask the provincial secretary to explain why his ministers always give us two arguments when we ask for data on profits from the mineral industry in this province. First, they always say they are precluded from doing so by section 11(a) of the provincial Mining Tax Act; second, and I quote specifically from the Treasurer, "It would take several man-years to produce the data requested."

Does the minister not understand that if a company is located in Ontario, operates only in Ontario and is a public company, its profit figures are available to the public anyway through its annual reports? By refusing to give the profit figures, all this government is doing is protecting companies that also do business outside the province.

**2:20 p.m.**

**Hon. Mr. Ramsay:** Mr. Speaker, I am not prepared to refute any comments that have been made by my colleagues on this side of the House. However, I will be happy to examine in more detail the questions and points that have been raised here today. I would ask my colleagues across the House if they would be good enough to send me the material they have been quoting from. I will be happy to look into it.

#### EMPLOYEE HEALTH AND SAFETY

**Mr. Martel:** Mr. Speaker, I have a question for the Minister of Labour. Before I ask it, I want to say in connection with my question on

mineral resource taxation that if the Minister of Northern Affairs (Mr. Bernier) had his way, he would help them truck it out gratis.

My question for the Minister of Labour concerns Mr. Vince Micallef, an employee of Stelco. I am sure the minister is aware of this problem. It has been before his ministry for some time. Is the minister aware that Stelco refuses to allow Mr. Micallef to wear safety boots with external guards, as it did up until 1980? Consequently he has had tremendous problems both with his feet and ultimately his back as a result of those boots. The company insists that if he does not wear them, it will dismiss him after 25 years of service. Will the minister give us his views on this type of practice by the employer?

**Hon. Mr. Elgie:** Mr. Speaker, I am not aware of the particular case the member refers to. As the member knows, matters related to safety shoes and other safety issues come within the purview of the director of industrial health and safety and are dealt with on an individual and on a group basis.

**Mr. Martel:** Since that has been done and nothing has changed, does the minister not understand that this man has been examined by an orthopaedic surgeon who indicates his injuries, because of being forced to wear these boots, have jeopardized his health to a degree where he has been out of work for many months? The company insists it is an industrial accident and the Workmen's Compensation Board says no. Is the minister further aware that one of the representatives appearing before the board indicated the reason they were treating Mr. Micallef this way was that he brought it upon himself because of his union activities? What does the minister intend to do about that?

**Hon. Mr. Elgie:** I am not aware of any of the details the member has referred to. Yes, I will look into it and contact him.

#### REMOVAL OF CONTAMINATED SOIL

**Mr. O'Neil:** Mr. Speaker, I have a question for the Minister of the Environment. On May 14 the member for Hastings-Peterborough (Mr. Pollock) asked the minister a question concerning the dumping of radioactive fill from Toronto in the Bancroft area, an action that could have serious effects not only in that area but also in my riding, which is downstream from that watershed.

In reply to that question the minister answered, "Mr. Speaker, I can assure the member that it is

certainly not a decision of the province to do anything like that in his riding." He also said, "Mr. Speaker, I had nothing to do with the decision itself. As a matter of fact, the only knowledge I have of the decision is that I have been advised by AECB that it was taken."

Yesterday in the House of Commons on a question concerning the same matter, the federal Minister of Energy, Mines and Resources, Mr. Lalonde, replied, "The decision was taken in full consultation with the government of Ontario and it was a joint decision."

Could I have the minister's comments on this statement since it seems to be directly in opposition to what he told us here in the Legislature on May 14?

**Hon. Mr. Norton:** Mr. Speaker, if Mr. Lalonde consulted with someone in the Ontario government, it certainly was not with me. I am aware there was some communication at the staff level, but to the best of my knowledge the decision ultimately was one taken by the Atomic Energy Control Board. I was made aware of the decision. There was nothing that occurred between Mr. Lalonde and me that I would consider or describe as consultation.

**Mr. O'Neil:** I think the minister was quite clear on May 14 that he had no prior knowledge of it. I just take it that, as the minister, he should have been aware of it. Might I ask him if we could have his commitment that this whole matter will be reappraised? If dumping is to take place and he feels there is no danger imposed, perhaps he would be agreeable to taking those materials from Scarborough and having them dumped in his own riding. I wonder if I could have the minister's comments on that.

**Hon. Mr. Norton:** Obviously, the honourable member's question is not serious. In fact, I think his concerns would be even greater if the materials were taken to Kingston because they would clearly have to be transported through his riding if that were the case.

**Mr. Samis:** Supplementary, Mr. Speaker: Will the minister tell the House what input he has had from the mayor of Bancroft on the whole issue, especially since his famous interview on CBC radio when he said he was quite willing to accept it?

**Hon. Mr. Norton:** Mr. Speaker, at the moment I do not recall any specific communication. I will check my correspondence to see if I have received a letter, but I do not recall having received one at this point.

**Mr. Conway:** Supplementary, Mr. Speaker: Will the minister indicate whether or not he has had any communication, written or oral, with the Minister of Energy, Mines and Resources, who, as I understand it, is to be regularly informed of these transactions in which, through the joint committee, there is to be an involvement?

As my colleague the member for Quinte indicated, Mr. Lalonde made it very clear yesterday in the House of Commons that from his point of view there had been full communication with the provincial government of Ontario. Will the minister now indicate, or will he undertake to find out, whether there has been any communication with the Minister of Energy, Mines and Resources in so far as this matter is concerned?

**Hon. Mr. Norton:** Mr. Speaker, in the course of my response to the earlier question I indicated I personally had not had communication with Mr. Lalonde. There was some indication on behalf of at least one of my colleagues and perhaps two that they had had some communication. I will undertake to find out what that was and perhaps I can respond more fully or they can respond on another occasion.

## DIOXIN IN FISH

**Mr. McClellan:** I have a question for the Minister of Health with respect to the potential health hazard of dioxin in Lake Ontario fish. He may want to refer it to the Minister of the Environment (Mr. Norton). Is the minister familiar with newspaper reports to the effect that health department researchers in the United States have completed a series of tests indicating that a significant number of Lake Ontario fish are contaminated with deadly dioxin? Is he familiar with the results of these tests, and has he met with his counterpart in the Ministry of the Environment with respect to any potential health hazard? Can he advise us what action the government intends to take either to reassure people that there is no health hazard or to warn them of a hazardous condition?

**Hon. Mr. Timbrell:** With respect, Mr. Speaker, that is a matter that comes under the jurisdiction of my colleague the Minister of the Environment. With your permission, I will redirect that question to him.

**Hon. Mr. Norton:** Mr. Speaker, because I was communicating with one of my colleagues, I missed the first part of the question. I think I



understand it fully. If I should miss any part of it in my response, I hope the honourable member will remind me.

It has been confirmed by our staff, in communication with the staff in the state of New York, that the reports that came out of New York a couple of days ago were really very precipitous. New York state and the American government are at about the same stage as we in terms of the testing.

They do have some preliminary results, but as a result of a joint effort to present a comprehensive and complete picture of the situation in the Great Lakes, and Lake Ontario particularly, it was felt to be very important that we both standardize the procedures that were used, to ensure the comparability of the results, and that steps be taken to confirm the results by means of what is being referred to as a round robin testing procedure, whereby other laboratories would be involved in confirming the American results as well as the Ontario results.

It is really too early for any conclusive statement to be made. I can assure the honourable member that in so far as there have been some preliminary results, there is nothing at this stage that would indicate any cause for alarm. I can assure him and the honourable members of this House that if there were any indication at this stage of any cause for alarm, we would proceed to ban fishing or take some appropriate action.

**2:30 p.m.**

I can also assure the members that in so far as drinking-water is concerned in the Great Lakes, testing has revealed no detectable level of dioxin. That applies to the Niagara River, Lake Ontario and throughout the Great Lakes. Again, if there is any indication that ought to lead to concern, I can assure members that when the testing procedures are complete we will issue, jointly with the Americans, a comprehensive report presenting comparable results; in other words, results that are based upon using the same standard in Ontario and the United States.

**Mr. McClellan:** Surely the minister recalls that late last fall his predecessor indicated the Ministry of the Environment had facilities established to do testing of dioxin levels in fish. The minister at that time said they could do up to 14 samples per week, that they had been testing fish, that they do have results, and that in fact the Ministry of the Environment is refusing to release the results. Surely the minister will accept the suggestion that it is his responsibility

to release the results of the testing, because, as he knows, dioxin is a carcinogen and there is no safe level of exposure to a carcinogen.

**Hon. Mr. Norton:** Certainly the results will be released; the point is that it is vitally important, prior to the release of the results, that the accuracy of the tests be confirmed. This is a very complex and highly sophisticated testing procedure. I am advised by technically qualified staff in my ministry that the confirmation of tests is highly desirable to make sure the results are accurate.

I can assure members that on the basis of any information we have at this point there would appear to be no cause for alarm in terms of public health. I think any effort to raise such a spectre now is merely foolhardy on the part of anyone who would take that course of action. The members will be made fully aware of the results. It is my understanding that both here and in the United States the round robin testing will be completed before the end of June.

**Mr. Kerrio:** Supplementary, Mr. Speaker: In view of the fact they have now discovered some levels in gulls' eggs and in fish and on the face of the gorge of the Niagara River, I wonder if the minister, along with his American friends, would do testing closer to the known deposits, so that we do not wait until the dioxin becomes concentrated in the river and in the lake to such a degree that it poses a danger.

I wonder if we should not be attacking the enemy in its camp and not waiting until it comes into our environment. There are obvious signs it is on the move. I wonder if the minister would talk to the minister in charge of the environment in the US, particularly in regard to some high concentrations in the Hyde Park area and other areas, as to whether we should not test to see if there is movement of dioxin from the storage site on the way to the river and the lake.

**Hon. Mr. Norton:** Taking it in two steps, Mr. Speaker, I want to assure the member for Niagara Falls that we have been testing in the river in that area. I presume what he is suggesting is that we do onsite testing on the American side. I will be meeting shortly with Mr. Flacke, the commissioner of environmental conservation in the state of New York, at which time this, along with a number of other issues, will be the subject of our meeting. I will certainly raise that concern at that time.

**Mr. Peterson:** I have a question of the Minister of Revenue; he was just here, but he disappeared while I was looking at you, Mr. Speaker. How could that be?



**Mr. Speaker:** I have that effect on many people. The minister is returning to his seat. Please continue.

### SYLVESTER COMPANIES

**Mr. Peterson:** Mr. Speaker, have the minister and the ministry been investigating some irregularities with respect to a group of companies run by one Mr. Sylvester in London, Ontario, including Lonmed, Medlon and Arturus, which are small business development corporations? Can the minister share the results of those investigations, which may involve a very large amount of money that has been misappropriated?

**Hon. Mr. Ashe:** Mr. Speaker, I will be happy to investigate the issue brought forward by the honourable member. I hope Hansard was better in getting the question than I was.

**Mr. Peterson:** Would the minister like me to ask it again? What is the minister doing to investigate the Sylvester group of companies and the SBDCs, which his ministry inspects and are in charge of appropriating money to certain people on the basis of their investments? What is he doing about it, and what are the results of the investigation?

**Hon. Mr. Ashe:** Frankly, the particular issue has not been brought to my attention as being an issue that was outside of the normal investigation and audit procedures of the ministry, but I will be happy to investigate the current status of it to see if it is out of the ordinary and to report to the member on Thursday.

**Mr. Van Horne:** Supplementary, Mr. Speaker: It comes as a bit of a surprise, given that it was our understanding there had been some contact made by the government on this issue within the last couple of months. When the minister reports back to us on this issue, will he give us as much specific detail as he can as to the number of provincial dollars involved in the situation?

**Hon. Mr. Ashe:** Yes, I will, Mr. Speaker.

**Mr. Conway:** Supplementary, Mr. Speaker: For those of us who may not have heard correctly, did the minister really say a few moments ago that as of this hour he, as Minister of Revenue, had not yet heard of the Sylvester case and the very serious matters that relate to the SBDC involvement? As of this moment does he know nothing about that? Is that what he said?

**Hon. Mr. Ashe:** No, Mr. Speaker, that is not what I said. I said the investigation was of a

normal nature and that nothing out of the ordinary had been brought to my attention. I think the Hansard record will so confirm.

**Mr. Conway:** On a point of privilege, Mr. Speaker: Since a very different impression was created on this side of the House following upon his first two answers, I would like the minister to stand in his place now and tell us clearly what he does know about these matters, since that was the question that was intended.

**Mr. Speaker:** That is not a point of privilege; that is a new question.

### MUNICIPAL CAPITAL PROGRAMS

**Ms. Bryden:** Mr. Speaker, I have a question of the Minister of Intergovernmental Affairs.

Is the minister aware that municipalities throughout the province are drastically curtailing needed capital programs because of the shockingly high interest rates that the government has failed to address in the budget? For example, Windsor's capital budget is down by about 40 per cent, Thunder Bay's is down by 33 per cent, Kingston's by 26 per cent and Ottawa's by 22 per cent.

Has the minister any plans to bring in a program to assist local governments to finance essential capital works this year?

**Hon. Mr. Wells:** Mr. Speaker, government policy is to treat the municipalities with a large degree of autonomy. The development of their capital programs falls within that premise. I can indicate to my friend that just because they may feel they have to curtail some capital programs does not necessarily mean that is something bad.

I might just draw to the attention of the honourable member that there is a suggestion in the Niagara region that a regional headquarters office should be built for something like \$5 million. I am sure a lot of the people would be much happier if it were not built.

For some of the capital programs that perhaps have been suggested or it is now being said are being curtailed, a municipality must use its own priorities and develop those priorities that it feels are best for itself.

2:40 p.m.

**Ms. Bryden:** I am sure the minister is not unaware that municipal capital programs have a stimulative effect on the economy and create jobs, which is what we need right now.

As far as municipal autonomy goes, does he think the municipality's autonomy is not seriously curtailed by these shockingly high interest



rates, which his government is doing nothing about? Will he not consider setting up a fund from which municipalities could borrow at reasonable rates until such time as they can issue debentures that are not at 17 to 20 per cent?

**Hon. Mr. Wells:** My friend is into a whole economic question. We do not accept the premise that this government can do something about the interest rates. We have talked about that in this House on a number of occasions.

The honourable member should tell me what this government can do about interest rates. It is basically a national problem, and to some degree an international problem, and all tied in with national monetary policy. All the member is suggesting is that we take some Band-Aids and provide more money to compensate municipalities for high interest rates.

**Mr. Newman:** Supplementary, Mr. Speaker: The minister is certainly aware that the city of Windsor over the past number of years has been in a disadvantageous position as a result of the resource equalization grants. Had the government provided the city with the proper amount of funds for the last six or seven years—funds they were entitled to—they would not find themselves in the straitjacket they are in today in attempting to develop certain public works in the municipality that are sorely needed to assist the municipality to continue its economic growth.

**Hon. Mr. Wells:** Mr. Speaker, I do not accept the premise that my friend puts forward. I think this government has listened to the plight of Windsor many times. We have acted on that request and provided extra funds to Windsor.

**Mr. Cooke:** Supplementary, Mr. Speaker: The minister says there is nothing he can do about the federal interest rate policy. We agree the government is limited in what it can do, but will the minister consider setting up a fund from which municipalities can borrow on a short-term basis until interest rates go down? Then capital projects that are needed in municipalities could go ahead.

Windsor has cut back from \$24 million to \$14 million in capital and is borrowing \$12 million of that at 19 per cent. They cannot eliminate the capital works program. Is the minister willing to look at a program whereby the government sets up a fund they can borrow from at reasonable interest rates until the interest rates are lowered and they then can sell their debentures and pay it back.

**Hon. Mr. Wells:** Mr. Speaker, how can my friend stand here in good conscience and suggest we set up a fund like that when he stood up and voted against every tax bill we brought in the other night?

#### ISLINGTON INDIAN BAND

**Mr. T. P. Reid:** I have a question for the Provincial Secretary for Resources Development, Mr. Speaker. Can the minister report on the results of the negotiations between the Islington band in the Kenora area and the Ontario government in regard to certain matters to assist that band? Is he aware of the position paper of the Minaki Community Association of May 5, 1981, taking exception to the way in which this procedure has been carried out?

**Hon. Mr. Ramsay:** Yes, Mr. Speaker. There was a report made to the cabinet committee on native affairs a week ago. It will be going to cabinet next week, I hope. There is a meeting with the mediator, Mr. Ted Joliffe, this Friday. At that time we will be asking for a deferment of a month of the deadline of May 30 for a memorandum of understanding. We would like to think we could have a memorandum of understanding by the end of June.

The negotiator's progress report was very encouraging. He had reached agreement on several of the matters. It was a very positive type of report. But I cannot disclose its contents until it goes to cabinet next Wednesday, I hope.

As far as the Minaki situation is concerned, I am aware of their concerns and they are being addressed.

**Mr. T. P. Reid:** It is not just the Minaki Community Association; it is also the Minaki chapter of the Ontario Metis and Non-Status Indian Association. Will they be made aware of the items in the memorandum agreement before it is signed? Will they have any input and opportunity to make their views known before the contract or agreement is signed between the government and the Islington band?

**Hon. Mr. Ramsay:** I do not think I can give the honourable member a definite answer in that respect. I would like to think that they would be, and I will work in that direction, but I do not want to commit myself to that at this particular time.

**Mr. Wildman:** Supplementary, Mr. Speaker: Can the minister indicate whether Mr. Crofts, who is involved in the negotiations, is satisfied with the progress that is being made? Is he

aware of the complaints he has made over the past few months about the lack of progress on the part of the provincial government?

**Hon. Mr. Ramsay:** Mr. Speaker, I will ask my colleague to repeat the name of the gentleman to whom he is referring.

**Mr. Wildman:** Mr. Bruce Crofts.

**Hon. Mr. Ramsay:** No. I am not sure whether he is aware of the progress.

[Later:]

**Hon. Mr. Ramsay:** Mr. Speaker, I rise to correct the record, if I may. In responding to my colleague the member for Rainy River, I indicated that the mediator had reported to the cabinet committee on resources development. I realize that was incorrect. He reported on May 7 to the cabinet committee on native affairs.

### FOOD PRICES

**Mr. Swart:** Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations.

As the minister who has some responsibility for the protection of consumers, is he aware of the tremendous increase in the price of prepared breakfast cereals? Does he know that since January 1979 the retail price of Kellogg's Corn Flakes has gone up from 71 cents to \$1.01; that this package of Nabisco Shredded Wheat has gone up from 85 cents to \$1.25; that General Foods' Alpha-Bits has gone up from 83 cents to \$1.31; and that Cheerios has gone up from 87 cents to \$1.37? There has been an average increase of about 50 per cent in 28 months.

Will the minister do a meaningful investigation and report back to this House and to the people of Ontario why the prices of cereals—and, of course, cereals are a very basic food—have risen twice as fast as wages and salaries?

**Hon. Mr. Walker:** Mr. Speaker, I want to know why the honourable member does not send those over to me. He used to send them over to my colleague. My colleague was able to furnish his entire house with what the member sent over.

**Mr. Speaker:** Will the minister answer the question, please?

**Hon. Mr. Walker:** I think my privileges have been breached, Mr. Speaker. I think the honourable member should be made to toe the line on it.

Mr. Speaker, costs undoubtedly have fluctuated in the food market, and our food monitoring program has put out a number of price rises and

price indications all over the province. I am sure the member has report 24 of the food prices monitoring program issued for April 1981. The report shows that prices on a number of items have gone up, and in a number of areas they have gone down. In fact, the April report shows that in places like southern Ontario, there have been significant price decreases. In northwestern Ontario prices are still higher than in Toronto but, in 10 out of the 11 centres we checked, the gap has narrowed significantly; so we feel there has been some significant improvement in that.

One cannot just measure food prices and food costs on one item; one has to look at a certain kind of package. I remind the honourable member that, if a certain amount of special shopping is done, one can find foods that are satisfactory and one can find specials in the papers without too much difficulty.

Last Wednesday, we did a bit of menu shopping over in our ministry, and we provided three menus for a family of four composed of the specials that were available in the Toronto stores. This could be done in other communities as well. If those newspapers are available, one can search those out.

If one were to inspect the menus of these families, one would find that checking at the Loblaws store they could get a special on an entire meal for four for \$7.29 instead of \$11.44, which would have been the regular price. That is a saving of 36.3 per cent.

If the member had checked Knob Hill Farms, he would have found that, instead of paying the regular price of \$10.16, he could have had a significant decrease and paid only \$8.38 for that entire meal. And the list goes on.

**2:50 p.m.**

If the member were to check some of the other costs, perhaps check some of the other food, he would find there have been some significant decreases. Yes, of course, there are some increases; but there are decreases as well. He should keep those in mind. Why does the member not bring to my attention some time some of the decreases? That might be important as well.

**Mr. Swart:** Mr. Speaker, those on the other side of the House may think these kinds of increases are a joke but, to the people on modest wages and salaries, they are no joke.

I asked the specific question about why these prices have increased. May I ask the minister if he is not aware that the big three multinational



cereal companies, Kellogg, General Mills and General Foods, are charged with collusion under the antitrust act in the United States and with illegally extracting something like \$1.2 million from American consumers?

The same companies dominate the cereal market here—in fact, the concentration is greater—and the retail price here is about 30 per cent higher. This cereal sells over there for 97 cents, compared with \$1.37 in this country.

Does all this not indicate to the minister that there is *prima facie* evidence of consumer gouging here? Why would the minister not want to look into it and to ask the federal minister to help him look into it?

**Hon. Mr. Walker:** For one thing, the honourable member could consider having eggs for breakfast; there seems to be a good price on them. I think that is the important thing. When one finds costs are going up in one area, a proper consumer—and a proper consumer the member should be, I would think—will go out and look for different prices. The one way to prevent prices from going up is to stop buying. That works all the time.

What I would like to know is, since the member seems to be comparing the prices from over in Buffalo all the time, how on earth does he get across the Peace Bridge with all the traffic going over to get some gas? No one else can get over; I do not know how the member can get over to do it.

#### BRADFORD AREA LAND USE

**Mr. Riddell:** I have a question to the Minister of Agriculture and Food, Mr. Speaker.

Anticipating that since yesterday the minister has checked his files on the town of Vaughan rezoning appeal by a group of developers and a close associate of the Premier (Mr. Davis), I want to ask whether the minister is aware of yet another appeal before cabinet, this time by Devon Downs Developments Limited to overturn an Ontario Municipal Board decision that ruled against the development of a farm type of condominium in the Bradford area, and more specifically in West Gwillimbury township, which again is contrary to the food land guidelines?

Can the minister assure us that he will be recommending to his cabinet that this proposal be rejected outright and that the OMB decision be upheld?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable member knows full well that this is a

decision to be made by cabinet. I was not aware of the petition, but it will be dealt with by cabinet at its leisure.

**Mr. Riddell:** Does the minister not agree that his ministry's food land guidelines must be upheld in the interests of preserving farm land and that this development must be rejected emphatically, making it quite clear to other developers that residential housing developments do not belong on primary farm land, including the proposed development in the town of Vaughan?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable member is talking about two different issues. He is talking about Devon Downs, and he is talking about the town of Vaughan. I do not know which one he wants an answer to. It seems quite clear—

**Mr. Riddell:** You want to believe it! The developments are on prime agricultural land. What are you going to do?

**Mr. Speaker:** Order.

**Hon. Mr. Henderson:** It seems quite clear that the honourable member does not know what he is talking about on either one of them.

#### HIGHWAY 404 EXTENSION

**Mr. Samis:** Mr. Speaker, I have a question for the Minister of Transportation and Communications. In the interests of fair play, since the member for Kingston and the Islands (Mr. Norton) gave his version of the events regarding Highway 404, I thought it would be only fair if we allowed the minister to give his version.

What I want to know is, can the minister explain to the House how his ministry could openly and deliberately flout the Environmental Assessment Act and proceed so openly and brazenly with the project?

**Hon. Mr. Snow:** Mr. Speaker, I do not think there is any way that the honourable member can come to that conclusion. Our ministry started the Highway 404 project in 1960, when the land was purchased after public meetings decided on the routing of the highway. Actual construction did not start until 1974, I believe it was, and since that time there have been seven contracts awarded in a continuing program to extend Highway 404 from Highway 401 to Davis Drive.

As the planning stages for this project had been completed prior to the Environmental Assessment Act, the total project was exempted from a type one environmental assessment, but we were required for those projects beyond a certain stage to submit type two reports.



On May 12 or May 14, 1980, we submitted to my colleague's ministry our type two reports for this particular project. Some weeks ago we were advised that the assessment had taken place and that there would be certain conditions to the approval. My ministry was agreeable to meet the conditions laid down by the Ministry of the Environment. The project was tendered as scheduled and awarded.

**Mr. Samis:** If everything was on the up and up, how does the minister explain the statement by Mr. Cross of the Ministry of the Environment, "If it was someone outside the government, we would probably take them to court"?

**Hon. Mr. Snow:** I would never attempt to explain why any environmental planner might make a statement such as that.

**Mr. Nixon:** Supplementary, Mr. Speaker: If his ministry's procedures were so in order, can the minister explain why the Premier ordered him to stop the construction?

**Hon. Mr. Snow:** Mr. Speaker, I think my colleague explained that. This matter of the one objection submitted to my colleague had come forward and had to be discussed. The Premier requested that the project be halted until it could be considered by full cabinet tomorrow. It is as simple as that. The project was halted this afternoon.

#### MARKET VALUE ASSESSMENT

**Mr. Sweeney:** I have a question for the Minister of Revenue, Mr. Speaker. My question deals with market value assessment in those communities, like Kitchener, that have opted to come under that particular procedure.

If market value assessment is determined by selling prices of comparable dwelling units, why is the assessed value not decreased when the selling prices of comparable units decline significantly?

**Hon. Mr. Ashe:** Mr. Speaker, as I am sure the honourable member is aware, the market value assessment is usually determined through a section 86 reassessment, which I think is what he is referring to. The actual assessment procedure takes place based on 1975 or 1978 assessment and then is equalized through the appropriate use of a factor. Those are now adjusted on a regular basis.

It is our hope that, as time and facilities and dollars are available, we will be able to update the actual market value assessment on a more

regular basis. That is not being done at this time, however; so the most current actual assessment, if you will, or actual market value, is for 1978.

**3 p.m.**

Keep in mind, Mr. Speaker, the honourable member referred to the fact that it is based on sales. Sales are not the only relevant factor considered in all instances. In some municipalities not enough sales have taken place on an open-buyer or free-trade basis to make them relevant within that particular category. In such cases an actual valuation has to be made by an assessor as to the established market value of a particular class of property.

**Mr. Sweeney:** What options are available to home owners who have had their units assessed without any market prices available and who now see the value of their homes, based upon comparable units, decline by \$11,000, \$12,000 or \$13,000? What options are available to those people when they try to get this reviewed when they cannot go back, as the minister says, to 1975 or 1978 figures? What can they do?

**Hon. Mr. Ashe:** There is quite a normal procedure that is not at all unusual or new. When they receive their assessment notices in the fall of the year, they can in proper order file an appeal of that assessment and it is heard by the assessment review court.

**Mr. Sweeney:** That has been done, and it has declined them. It said it cannot accept them.

**Hon. Mr. Ashe:** I want to rise on that little afterthought. If there are particular instances where it has not accepted them, where they did not win their cases, that is one thing, that is that.

The assessment review court is a tribunal where both sides of the issue come forward as in a court of law, although it is not a judicial court of law in the strictist sense. They make their case, the assessor on one side and the home owner or group of home owners, as the case may be, on the other side. That is what the court is all about. It says which side has made its case. I would suggest that, if their appeal was not sustained, they did not make their case.

**Mr. Charlton:** Supplementary, Mr. Speaker: Ever since 1970, when the government decided to move in the direction of market value, it was realized that leaving market values in place too long caused the kind of inequities the honourable member is referring to and that reassessments would have to be done every two or three years.

How long is it going to take his ministry to get its act together so it can deal effectively with the



kind of inequities being referred to here? The only way they can be dealt with is by constant review of market value assessment.

**Hon. Mr. Ashe:** Mr. Speaker, I cannot disagree with that conclusion. As a matter of fact, one cannot have it both ways in terms of criticizing the government for spending money while at the same time suggesting it should be balancing the budget and saving money.

We have a certain amount of resources available to us, and we would like to do an update every year, but that is not practical with the resources available to us at this time. Our present goal is to update any 1975 assessments to 1978, and we hope over the next couple of years to be able to keep the reassessment function as up to date as our resources will allow.

#### PROPERTY SPECULATION

**Mr. Breagh:** Mr. Speaker, I have a question for the Minister of Housing; it concerns the activities of a company by the name of Steveston Enterprises Limited of Vancouver which is currently speculating in the housing market in Ontario. Will he explain to the House how this one company from out of the province can come into Ontario and on two deals, one in Oshawa and one in London, wrap up a profit of probably more than \$2 million at the expense of Ontario taxpayers?

**Hon. Mr. Bennett:** No, Mr. Speaker, because I do not have the background on this particular case. If the honourable member would like to send it to me, I would be glad to look at it, review it and report back.

**Mr. Breagh:** I want to know how these out-of-province speculators can come here and buy from Canada Mortgage and Housing Corporation in Oshawa for \$14,700 a condominium unit whose market value is approximately \$40,000. Why were the people of Ontario not given an opportunity to buy those units at those prices?

**Hon. Mr. Bennett:** I am delighted the member referred to the out-of-towners. Canada Mortgage and Housing Corporation happens to be owned by Canadian taxpayers, to the best of my knowledge, and it has never limited the opportunity to buy any of its surplus units to certain Canadians. It has made them available to those who wish to come in and buy them.

If it happens to be a Canadian who comes in, buys them and invests money in refurbishing and renovating the units and puts them back on the market—the member from Sudbury can sit

and chuckle, but I can tell him that most of these units CHMC has put on the market have had to have a fair amount of money put into refurbishing, renovation and improvement to put them back on the market in a profitable position. That is the the system.

The units have been available. Whether it be in the McLaughlin building, where we happened to sell some units through the Ontario Mortgage Corporation, or whether it happened to be the CMHC ones that are put up for sale, they are there on a bid basis for companies, Canadians—the member for Oshawa shakes his head, but to the best of my knowledge, CMHC puts them up on a bid basis.

You will recall, Mr. Speaker, a few months ago a very severe letter was sent to CMHC and the federal government about the fact that they limited the number of real estate agents who could act on their behalf. CMHC expanded the opportunity for all real estate agents to participate in the disposal of their reclaimed apartment buildings or homes as a result of defaults in mortgages.

**Mr. Breagh:** The units in Oshawa, for example, have already been refurbished at taxpayers' expense. These particular units were not put open to bid in something called a preferred tender. Is the minister really saying his ministry does not know and does not care that the taxpayers of Ontario are funding this \$2-million ripoff?

**Hon. Mr. Bennett:** First, I have never indicated that we are not interested. We are obviously interested in what happens in the real estate market in this province. I would suggest the member might like to ask his counterpart, the federal member, to place the question in the federal House to the minister who reports for CMHC, since it is their asset. They set the terms of reference under which they will dispose of their units.

I can only say as a Canadian taxpayer we likely have invested money on some units in refurbishing them to put them back into a market position so that residents of his community have the opportunity of buying them and living in conditions that are socially acceptable.

**Mr. Breagh:** No, they did not.

**Hon. Mr. Bennett:** They must have if they sold them again.

#### SKILLS TRAINING

**Mr. Swart:** Mr. Speaker, I have a point of privilege. Yesterday the Minister of Education

(Miss Stephenson) in a statement in reply to a supplementary of mine, with her usual indifference and lack of concern for accuracy, stated that Niagara College of Applied Arts and Technology could not have sold all the seats in any course to Canada Manpower. Today I discussed it with Mr. Desmond McCurrie, who is in charge of that department, and they have sold all the—

**Mr. Speaker:** Order. That is not a matter of privilege.

## INTRODUCTION OF BILL

### MINISTRY OF COMMUNITY AND SOCIAL SERVICES AMENDMENT ACT

Hon. Mr. Drea moved, seconded by Hon. Mrs. Birch, first reading of Bill 84, An Act to amend the Ministry of Community and Social Services Act.

Motion agreed to.

## SKILLS TRAINING

**Mr. Swart:** Mr. Speaker, perhaps you would permit me, since you ruled me out on the point of privilege, to rise to correct the record.

**Mr. Speaker:** Yes, as long as it is not a question and you are going to correct the record.

**Mr. Swart:** Yesterday the Minister of Education stated it was not possible for Niagara College to have sold all their seats in any particular course to Manpower. I have investigated with Mr. Desmond McCurrie, who is head of the department. He says they have 45 seats in welding and 20 seats in industrial maintenance and they have all been sold to Manpower for the coming term.

I would ask the minister to investigate that and report back to this House—

**Mr. Speaker:** Order.

**Hon. Miss Stephenson:** Mr. Speaker, if I may respond to that, the actual information is this: Last year, as a result of concerns expressed by various members in this House, we sent a directive to all the community colleges specifying that they must retain at least 10 per cent of the seats in their skills training programs for local students who were not Manpower students. The actual figures—

**Mr. Swart:** It was 20 yesterday.

**Hon. Miss Stephenson:** No, I did not say “20,” I said “a percentage.” The actual figures for Niagara College this year are: in drafting, 20 per cent of the seats are available for fee payers; bartending, 25 per cent; food preparation, 17

per cent; construction, 17 per cent; industrial electronics, 10 per cent; industrial maintenance mechanic, zero; machine shop, six per cent; toolmaking, 10 per cent; stationary engineer, 15 per cent; and welding fitter, 28.8 per cent.

**3:10 p.m.**

Niagara College is not complying with the directive that has been sent in two areas only. That has been made known to them, because it is a requirement set upon the colleges by the Ministry of Colleges and Universities.

## ORDERS OF THE DAY

### BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the motion that this House approves in general the budgetary policy of the government.

**Mr. Wildman:** Mr. Speaker, to begin, I would like to express my thanks to those who have helped me in preparing a reply to the budget introduced last week. Specifically, I want to mention the help I received from two of our research staff, Sym Gil and Dave Robertson, and also my assistant, Rosalie Feather, and thank them for the yoeman service and hard work they did in helping me to prepare.

I regret the Treasurer (Mr. F. S. Miller) is unable to be here but I appreciate the fact that his parliamentary assistant is present. The Treasurer must be a very good car salesman, because if he can sell this budget to the people of this province he can sell anything.

Preparing my reply has been a learning experience and an opportunity I appreciate. It is especially an honour for me to succeed the member for Nickel Belt (Mr. Laughren) as the Treasury critic for this caucus. During his tenure as Treasury critic the member established a credibility on economic issues that is unparalleled by anyone in this House, including the Treasurer.

The member spoke with such authority the Minister of Industry and Tourism (Mr. Grossman) took to quoting him in his speeches. We heard the minister talking about the need for an industrial strategy and the problems of a truncated branch plant economy throughout this province. Unfortunately, the minister apparently did not understand the substance of the comments made over the years by my colleague the member for Nickel Belt. Perhaps he did understand them, but if so he rejected the implications for fear he and his government would have to respond to the serious problems we face in this economy.



On behalf of my party, I want to say we categorically reject the Treasurer's budget. We categorically reject the economic and budgetary policies upon which it is based. We reject this government's budget because it is clearly unfair and inequitable. It places an even greater financial burden on those who are least able to afford it, while exempting other sectors of society from contributing their fair share.

Furthermore, the budget is totally inadequate to respond to the economic problems of Ontario. It does nothing to respond to the needs of the 292,000 people now out of work and it does nothing to rebuild the province's industrial base. In fact, if there are any guiding principles in this budget they are clearly those of inequity and futility.

Even though the Treasurer admits that over the last three years wage increases have lagged behind inflation, he proceeds to increase tax rates for Ontario families to the highest level in Canada. At the same time, the Treasurer casually admits his decision to leave the corporate income tax rates unchanged. These two actions aptly sum up the government's policy.

**Mr. Jones:** You must have missed parts of it.

**Mr. Wildman:** If the parliamentary assistant would listen, I am sure he would learn we have a diametrically opposed view of what is wrong in this province, and how we should deal with it, to that of the government.

**Mr. Jones:** Absolutely right.

**Mr. Wildman:** That is right. The two quotes I have just mentioned by the Treasurer aptly sum up the government's policies. On the one hand, there is an attempt to grab even more revenue from ordinary working people who are suffering the effects of record high rates of inflation and skyrocketing interest rates, while on the other hand there is a misguided assumption that by creating a favourable investment climate in Ontario the present economic problems will be resolved.

**Mr. Jones:** Are you against the favourable climate?

**Mr. Wildman:** We will be dealing with that whole question. I realize I will not be able to persuade the Treasurer to leave his ideological straitjacket but I hope that by the reason of my argument I will be able to persuade the parliamentary assistant that there needs to be a change in the government's outlook. Perhaps then he can prevail upon the Treasurer to change their point of view.

We in this party might be prepared to accept

an increase in the provincial income tax, since it is a more progressive tax measure than the other changes announced by the Treasurer, except that the effect of the OHIP premium increases and the Treasurer's refusal to change corporate tax rates certainly opens to question the fairness of the whole fiscal package. Since the government is determined to protect the corporate sector from tax increases, the burden falls on the individuals and families of Ontario. The percentage of the total provincial revenues obtained from corporate taxes has declined from an average of 17.7 per cent in the 1960s to 12 per cent in 1981-82. I ask you, Mr. Speaker, what equity is there in a trend like that?

The nine per cent increase in personal income tax and the 15 per cent increase on OHIP premiums means that an Ontario family of four earning \$15,000 a year pays an effective tax rate of about 80 per cent of the federal tax payable. That is far higher than any other province in Canada. In fact, such a family would now be paying more to the provincial government in health care tax than it would be paying in personal income taxes.

OHIP premiums have been raised 43.75 per cent since 1977. Darcy McKeough tried to increase this regressive tax by 37 per cent in 1977, but the opposition forced him to back-track. The government has persisted in—

**Mr. T. P. Reid:** Majority government.

**Mr. Wildman:** Yes, this majority government has persisted in its determination to continue to fund 30 per cent of health care costs through increasing this regressive health care tax and it increased it piecemeal to a level even higher than McKeough intended. OHIP premiums are another form of taxation and must be included along with personal income taxes when calculating the tax rate paid by Ontario residents. The Treasurer cannot get away with propagating the myth that the 48 per cent income tax rate means that Ontario taxpayers pay among the lowest taxes in this country.

The other main fiscal measure to which we strenuously object is the change to ad valorem taxation on gasoline and other commodities. While the Treasurer worries very briefly about inflation in his budget, he is now prepared to compound price and tax increases on gasoline, basically to profit from inflation at the expense of the taxpayers. Even more reprehensible is the way this government has ignored—and now intends to profit from—the price gouging of the oil companies.

The federal government's combines branch



investigation into oil prices established that Canadian consumers were overcharged \$12.1 billion between 1958 and 1973 by the major oil companies. On a population basis, that means that Ontario residents were overcharged \$4.3 billion, and that is only up to 1973. Considering the price hikes since 1973, that amount will in fact be much greater today.

**3:20 p.m.**

We believe the government should have recaptured those ripoffs. It has the power to do so. It could have established a price freeze on gasoline, as it did in 1975, until such time as Ontario consumers had regained their lost income. Instead of protecting consumers from oil price gouging in the first place, instead of forcing companies to pay back their ill-gotten gains, this government decided to get in on the act and tax those very consumers who are paying ripoff prices. This indicates that this budget is unacceptable to us as much for what is missing as for what it includes.

It defies credibility that the Treasurer would bring down a document at this time that makes only passing reference to inflation and interest rates and does not even mention the current crisis in the provision of affordable housing. Now that housing prices have escalated to levels averaging over \$100,000 for a single family home in Metro Toronto, with huge speculative profits being made, action must be taken. How does the Treasurer justify ignoring the glaring problem facing families in this city and in other cities in Ontario? It is not good enough for him to abandon to such a marketplace people who dream of owning their own homes. A tough housing speculation tax should have been included in the budget to force an end to the unconscionable speculation in real estate in this province.

Interjection.

**Mr. Speaker:** Order. Just continue with your speech, Mr. Wildman.

**Mr. Wildman:** I am glad the parliamentary assistant is listening. Perhaps the government might have the imagination to be able to design a speculation tax that would not hurt a home owner in the sale of his own principal residence. What we are concerned about is people who are purchasing homes throughout this city and other cities of this province simply for speculative purposes. Surely this government has the imagination to be able to come up with a tax that would deal with that kind of speculation and not be punitive to the home owner who is selling his principal residence because he has to move somewhere else.

With inflation running at 12.6 per cent, the prime interest rate topping 19.5 per cent and mortgages ranging from 18 to 19 per cent, the Treasurer presents no statement of policy proposals for relief. That is really beyond belief. When one considers the comments made in this House by the Minister of Housing (Mr. Bennett) to questions by my leader regarding the increase in housing costs across this province—to the effect that people should move to the outskirts because houses do not cost as much there—and when one then is hit by the increase in gasoline taxes, it is obvious this government is out to get the ordinary families of this province both ways.

**Mr. Jones:** You heard the Minister of Housing respond to that already.

**Mr. Wildman:** Well, okay; I recognize the interest rate policy is within the federal jurisdiction. I know that is an argument the government has used in the past, but surely the Treasurer has something to say about it. By his silence he appears to be acquiescing to the federal Liberal government's monetarist policies. The NDP rejects the Conservative-Liberal-central bank policy of slavishly following interest rate policies set in the United States.

New Democrats believe that we need a made-in-Canada policy and we need measures that will lower interest rates immediately. Surely the Treasurer can see the effects of the current interest rates on home owners, farmers and small business people in this province. It is just not good enough for this government to take the position that these problems must be solved in Ottawa. The Treasurer has the responsibility to aid Ontario residents who are worst hit.

Last year, when the bank rate was around 17 per cent, our party proposed the establishment of temporary assistance funds to assist average and lower income people to finance mortgage rate increases. We believe that assistance was warranted for home owners facing mortgage rate hikes to ensure that the gross debt service cost would not be higher than 30 per cent of the family income. Such a temporary program is needed even more urgently today than it was last year and should have been included in the budget.

The Treasurer and the Premier (Mr. Davis), however, continue to wash their hands of the interest rate problem; but their hands are not clean, since provincial economic policy as well as federal economic policy has brought about our present difficulties.

We must not lose sight of the fact that our dependence on foreign investment is one of the



main causes leading to the present crisis that we face. Just as successive federal Liberal governments have done, successive provincial Conservative governments have consistently adopted an economic strategy which has relied upon attracting foreign capital. This has meant interest rates have to follow those in the United States, and that is a policy which has guaranteed further deficits will be financed by attracting even more foreign capital, and so on and so on.

The underlying structural weaknesses of our economy and the failure of the federal and provincial governments to deal with them have led us to this present crisis. Obviously then the province, as well as the federal government, shares in the responsibility to provide both short-term and long-term solutions to our economic difficulties.

I would like to deal with the problems facing the Treasurer in developing his economic and fiscal policy. In budget paper A, the Treasurer states the obvious when he says that the provincial finances are sensitive to the performance of the Ontario economy. Therein lies his major problem, and it is a problem with which he cannot come to grips. With the province's dismal economic performance of the late 1970s, government revenues have declined and the government has been caught in a squeeze with apparently little room to manoeuvre.

The government proves itself a master of understatement through the Treasurer, who says Ontario's economic performance slipped towards the mid-1970s and was relatively sluggish for the remainder of the decade, when we consider the real economic growth rate was 0.9 per cent over the last three years. The Treasurer points out that as a result of this slow growth rate the government's revenues slipped as well, averaging almost two percentage points lower in the second half of the decade as compared to the first, falling from a compound annual average of 13.4 per cent to 11.7 per cent.

In order to understand fully the problems facing the Conservative government in dealing with its fiscal difficulty and the province's economic problems, it is necessary to analyse the fundamental changes taking place in the world economy and Ontario's place in it. The confluence of events of the 1970s—the rapid increase in the price of food and manufactured products exported by advanced capitalist nations, the emergence of the Organization of Petroleum Exporting Countries, currency fluctuations subsequent to the abandonment of the gold

standard and recurrent turmoils in the international monetary system—has wrenched the global economy loose from its post-war mooring.

The United States' economic domination, so taken for granted in the last three decades, has given way to a free-for-all among industrial nations, with each trying to grab or preserve as much as possible of the shrinking economic pie. It is these changes, coupled with the recent and ongoing changes in the terms of trade resulting from the Tokyo round of the General Agreement on Tariffs and Trade, that shape the prospects of the Canadian and Ontario economies.

I think the problem is that the government, just like the parliamentary assistant, has not been ready to analyse these problems and determine adequate policies for dealing with them. Instead they sit there saying, "You are blaming us for these." I am not blaming him for these world trends. What I am saying is that the government has to consider them in determining its economic policy.

**3:30 p.m.**

Within this framework of change there emerge new patterns of international division of labour and the redirection of the flows of international investment. Industrialized nations such as Canada are experiencing new competition for investment and markets from the newly industrialized countries of the Pacific basin and Latin America. Financial incentives and repressive labour policies in such countries have attracted investment by transnational corporations in industrial development to produce manufactured goods for export.

In 1971, for the first time, manufacturing export earnings in non-oil, underdeveloped nations exceeded their earnings from exports of food and raw materials. While manufacturing employment as a percentage of total employment has been falling in Canada, the US and the industrialized countries of western Europe, it has been growing rapidly in the newly industrialized countries. For instance, between 1970 and 1979 manufacturing employment rose 40 per cent in Hong Kong, 185 per cent in South Korea and 51 per cent in Mexico. In Canada, by contrast, manufacturing employment increased by only 16 per cent, and in Ontario it grew by only 22 per cent during the decade.

**Mr. Jones:** Do not compare us to Hong Kong—compare us to Ohio.

**Mr. Wildman:** Those states that the parlia-



mentary assistant mentions are undergoing the same kind of pressures that Ontario is undergoing.

**Mr. Jones:** That is right, but we are doing a better job of it.

**Mr. Wildman:** That remains to be seen.

Canada's trade balance in manufacturing with fast growing newly industrialized countries as well as with OPEC is now in a deficit position. The surge in manufacturing exports from these countries has caused hardship in the industrial sectors of countries like ours—especially, but not only, in the low-technology industries. While in absolute terms the amount of manufactured products we import from these nations, to be sure, is still small, in recent years we have seen an import wave of more technically intensive products from them—in particular, auto parts and specific electrical and electronic products.

For example, at present about 40 per cent of our auto parts production is composed of engines. All indications suggest that in the current round of downsizing we are losing our domestic engine production capacity. At the same time we are importing engines from captive plants of the auto majors in Brazil and Mexico. At present we have a deficit of over \$42 million in engines from the above countries, a 54 per cent increase in just one year.

In the electrical-electronic field certain subsectors, notably small electrical appliances, lighting fixtures and radio and television, are becoming more vulnerable to imports. Many manufacturers of televisions in Canada, especially black and white production, have phased out domestic production altogether. At the same time imports from countries such as South Korea, where branch plants of Japanese companies have set up in free trade zones, have increased dramatically.

Between 1970 and 1979, for example, imports of electrical-electronic goods from South Korea increased from \$300,000 to \$43.7 million. In Canada between 1974 and 1979 over 20,000 jobs were lost in electrical-electronic industries, and domestic production of black and white televisions has been totally phased out.

For every million dollars' worth of manufactured goods imported Canada forfeits 160 jobs, \$2,590,000 in annual wages and over \$480,000 in provincial and federal taxes.

**Mr. Martel:** And you wonder why you have no money.

**Mr. Wildman:** That is right. Not only the emerging Third World nations but also the

historically underdeveloped regions of Europe such as Spain and Ireland are competing with us for investment and expanding manufacturing enterprises to produce exports.

Canadian companies such as Mitel, Alcan, Cominco, Northern Telecom, Moore Corporation and Seagrams have joined the other transnationals in operating in Ireland, for instance. Along with the shift of multinational investment to low wage, high incentive countries has been the corresponding shift of investment into the US. More and more US-based multinationals are shifting their operations back home, and more non-US-based multinationals are increasing their direct investment and indirect investments in the United States as well.

The effects on investment employment posed by this trend for Ontario, with its manufacturing sector dominated by branch plants of United States companies, are only too obvious. With reductions under the general agreement on tariffs and trade scheduled for the 1980s, companies will continue to rationalize their operations. A few examples demonstrate the dangers that Ontario faces from this trend, a trend that has already begun.

The Speaker, I am sure, will be interested and aware that Outboard Marine in Peterborough had its export markets in Europe and Africa reclaimed by its US parent. Winchester-Western closed down its Ontario rifle operation and chose to satisfy the Canadian market from its home base. Essex Wire, a subsidiary of the US giant United Technologies, closed down its electrical harness operation in Ontario and actually shipped much of its production machinery back to the United States.

**Mr. Jones:** Do you have an equal list of some that have been coming in over the last year?

**Mr. Wildman:** I am sure I do not have to go into those kinds of lists. The parliamentary assistant seems to be somewhat upset by us trying to bring forward for him the actual problems we face in this economy. I wish the parliamentary assistant was aware that even the Treasurer acknowledges the fears of this government in the face of increasing US competition and competition from Canadian provinces.

**Mr. Jones:** That is why he responded with this budget with such programs as this.

**Mr. Wildman:** The problem is that this budget is inadequate. More and more Canadian companies are expanding their operations in the United States. From 1977 to 1979, Canada was the third most active country, after the United



Kingdom and West Germany, in total investments in the United States. In the last decade, Canada's direct investment in the United States has tripled in value. I am sure the parliamentary assistant cannot argue that it has tripled in value in Ontario.

We cannot accept the argument sometimes put forward by this government and others that these investment decisions by private corporations are in our interest. The profits flowing into this country from these US operations do not in any way offset the loss of jobs and the lost potential for expanding manufacturing capacity here. The mobility of private investment capital makes it difficult for governments like this one to use traditional methods to influence those decisions in our economic interest.

Investments have been flowing from Ontario, not only to foreign jurisdictions but also into energy-related developments in Canada's western provinces. While investment is shifting to the west, higher energy prices are further undermining Canadian manufacturing in Ontario. How harmful to Ontario's economy the effects of these developments are can be seen when one considers the statistics on layoffs in this province.

For the first three months of this year alone, 3,606 workers were laid off and more are scheduled. As well, 23 plants have been permanently closed, while 46 either have been partially closed or have reduced operations.

**Mr. Jones:** With a net gain on average of 100,000 new jobs a year.

**Mr. Wildman:** Despite the comments from the other side, obviously the Ontario economy is in trouble. Its traditional nontechnology-intensive industries are threatened by imports from low-wage, high-incentive countries. In a world of "free trade," its more favoured industries are open to increased competition from the advanced capitalist countries; its branch plants are unsuited to the changing conditions of international trade and are subject to the rationalizing efforts of their US parents in their own struggle to survive; its strong industries have matured to the point where they now are internationalizing their own operations, and Ontario's traditional domination within Confederation is threatened by the shift of economic growth out of this province.

But this government remains paralyzed. It cannot act. It maintains its almost passive role. It is happy to sit there and say, "Things are not as bad as you say."

When one looks at the budget produced by

this Treasurer, one realizes the real tragedy of the government's decision to sock it to ordinary residents of this province with whopping tax increases, while letting the corporations off scot-free. It is the government's blind faith that it is preparing the way for Ontario's economic recovery by remaining "an attractive investment climate" for the corporate sector.

If the Treasurer is so convinced an attractive investment climate is the answer to Ontario's economic problems, why is it we still have these problems?

**3:40 p.m.**

The Treasurer makes the point that Ontario's treatment of corporations is competitive with other jurisdictions. If that is the case, what has been done to improve our fruit and vegetable processing industry? What has this policy of good investment climate done for our auto industry? What has it done for the machinery and tool industry? What has it done for our mining and forestry industries?

If maintaining a favourable investment climate for foreign corporations is the way to rebuild our economy, can the government please explain why we do not have a strong mining machinery industry? Can the government explain why profitable plants are being relocated? Perhaps the government can explain why we have all the problems we now have if all we have to do is maintain the policy it has had all along.

The Treasurer is in a trap. The only way he can explain his situation is to suggest that other jurisdictions are developing better investment climates and therefore perhaps Ontario needs to give even more tax concessions to private enterprise. If this is the policy of the government, the future for Ontario is clear. In that kind of investment poker game, Ontario will be left holding the jokers instead of the aces we were dealt.

The budget does not set forth any new government initiatives to respond to the real problems of this province's economy. It demonstrates a complete inability and unwillingness by the Conservatives to recognize the underlying causes of our sluggish performance and to design strategies for its counteraction.

Basically the government cannot deal with the severe structural weaknesses of our economy. But, to be fair, even the Conservatives cannot completely ignore the need for government action to counteract the basic weaknesses of our economy. How could they when they were faced almost daily in this assembly over the last three years by my predecessor as NDP



Treasury critic, the member for Nickel Belt (Mr. Laughren). He has been explaining the need for government action over the last three years and identifying various sectors of the economy where Ontario has opportunities for profitable expansion.

How can the government ignore it when confronted with the seemingly endless round of layoffs and plant shutdowns? The government just cannot ignore the fact that in 1971 manufacturing as a percentage of Ontario's employment was 27.3 per cent but now it has dropped to 25.2 per cent. Our machinery and electrical products industries have lost 4,400 and 3,500 jobs, respectively, since 1975. Canada is the only industrialized nation that imports more than 50 per cent of its industrial machines and tools.

The government has been scrambling to give the impression that it is responding to NDP calls for action. But, while ministers like the Minister for Industry and Tourism (Mr. Grossman) continually spout rhetoric in pronouncements about strategies for stemming the tide of economic decline, they have only proposed their wholly inadequate Board of Industrial Leadership Development program. Other than regurgitating that package of election goodies, with only \$150 million budgeted in each year over the next five years, the Treasurer has nothing to say in his budget about new economic policies.

The absence of any real measures that turn the tide of outflow of capital and jobs in the budget belies the oft-repeated statement of various ministers about their commitment to concerted action to prevent serious dislocations facing Ontario in the 1980s.

**Mr. Martel:** We got an advisory committee for mining equipment.

**Mr. Wildman:** I am going to get to that.

The only significant direct job creation project mentioned in the budget—since the parliamentary assistant wants me to talk about what the budget says about BILD—is the thrust in the BILD program for electrification. But at a time when the Treasurer argues that expenditures should be curtailed, Ontario Hydro has excess capacity of 45 per cent and Wesleyville and Lennox are being mothballed at a cost of hundreds of millions of dollars, Darlington is being accelerated at a projected total cost of about \$6 billion. It takes an unbelievable leap in logic to accept that there is justification for this public expenditure in a saving of \$60 million in coal.

To attempt to characterize nuclear as some kind of alternative clean energy source—the

salvation of a province threatened by acid rain—while Ontario Hydro continues to drag its feet on the installation of scrubbers at its coal-fired generating stations is ridiculous and intellectually dishonest.

**Mr. Jones:** You are against expanding our electrical capacity.

**Mr. Wildman:** The member just does not understand.

**Mr. Jones:** Oh yes, I do. I have to sit here and listen to it.

**Mr. Wildman:** This government talks about limiting expenditures on the one hand and then continually wastefully spends more and more. Then it says, when we talk about their expenditures, that somehow we are against development. The member really does not understand.

Basically the budget is characterized by a complete absence of any direct economic stimulus for short-term job creation. There are more than 292,000 people currently unemployed in Ontario. The budget does not contain a single job creation scheme.

Even the Treasurer's corporate friends do not believe in his forecast. Ben Gestrin, the chief economic adviser to the Canadian Imperial Bank of Commerce, is quoted as saying, "I can't foresee these forecasts materializing." He is talking about the 106,000 new jobs. The Canadian Imperial Bank of Commerce does not foresee them being materialized.

I will not embarrass the government by quoting the reactions of the Canadian Federation of Independent Business or the Toronto Home Builders' Association. It is enough to talk about even closer friends of the government. There is one comment I would like to pass on. It is the assessment of the Tory finance critic in Ottawa. Mr. Speaker, do you know what John Crosbie had to say about this budget?

**The Deputy Speaker:** No.

**Mr. Wildman:** He called it "a pretty grim concoction." Then he went on to say, "I can only commiserate with the people of Ontario."

Sometimes John Crosbie is right on in his assessments. More often he is not, but sometimes he is right on.

This government asserts that 106,000 jobs will be created this year related obliquely to the Board of Industrial Leadership and Development, but it does not explain how these jobs will be created. The net result of the creation of all of these jobs, even if they are realized, will still be 295,000 unemployed in this province. That is great record, a great prediction.



By and large, the Conservative government's long-term policy for developing marketing opportunities for our products in our manufacturing sector are inadequate and wrong-headed. Faced with the prospect of accelerated corporate rationalization and withdrawal of the branch plant operations in Ontario, the government is desperately trying to adapt its branch plant production to increasing competition for markets.

Multinationals in Canada have a number of options. They can respond to changing conditions by rationalizing production along the lines of the auto pact or by continuing to withdraw to the United States and serving the Canadian market from there, or they could grant their subsidiaries some form of product mandate for select production lines.

Since the Conservatives are not capable of challenging the leading role of the multinationals in our economy, the Treasurer continues to argue that Ontario must attract foreign investment if our resources are to be utilized, despite the fact that the need to avoid tariffs walls for access to the Canadian market after the general agreement on tariffs and trade will no longer induce multinationals to establish subsidiaries here.

**3:50 p.m.**

The Tories are not blind, however, to the difficulties facing Ontario because of their dependence on the investment decisions of the multinationals. They see the disastrous imbalance resulting from the operation of the auto pact with a \$3.8-billion deficit in parts manufacture in 1980. This resulted in a loss of more than 16,000 jobs.

They are scrambling to avoid further plant shutdowns in other sectors. The government hopes to prevent further contraction of Ontario's manufacturing by persuading multinationals to choose global product mandating.

The recent report of the Task Force on Global Product Mandating concluded that multinationals with plants located here would need to be given significant incentives before establishing product mandates. The Minister of Industry and Tourism has assured the private sector that the government is prepared to provide them.

No wonder the Treasurer cannot increase corporate taxation. Instead, in an attempt to induce multinationals to maintain subsidiary jobs in Ontario, the Treasurer has indicated that he is even considering further tax breaks to the corporations.

I will not dwell on the reasons for our fundamental disagreement with the Tory policy of concessions to multinationals aimed at rebuilding our manufacturing base by developing product specialization for subsidiaries for world market penetration.

Our economy is already increasingly vulnerable to import penetration. Ninety per cent of the domestic market for agricultural machinery, 90 per cent of the market for mining machinery, 70 per cent of the market for forestry machinery and 53 per cent of the market for power generating equipment is already supplied by imports.

My colleagues have repeatedly explained our view that the opportunity for import replacement must be given top priority in any long-term industrial strategy for Ontario. We estimate that 115,000 new jobs could be created in sectors such as machinery manufacture, electrical products and food processing if half the total imports were replaced by domestic products. This would require government action in directing investment in this province.

The benefits for Ontario would be substantial. The provincial economy would save \$12 billion now spent on imports. Provincial tax revenues would grow by \$168 million and federal tax revenues by \$412 million directly.

But strong political leadership is needed to stem the tide of imports. This government backs away from direct government intervention because it does not possess the political will. The Treasurer's statement about the need to "maintain an attractive investment climate" reconfirms the philosophy of the Tories' so-called industrial strategy.

The initiative for economic recovery is to be left to the private corporations, and the engine is corporate investment. Since the Conservative government is committed to this view, its influence on economic development is indeed limited. The government is prevented from playing an active, constructive role in the management of the economy.

Important investment decisions will remain private rather than public, undemocratic rather than democratic. A Conservative government is restricted to pointing to where they would like to see the private capital directed and to encouraging the private sector to move in those directions through incentives.

To assure private capital that the investment climate in this province is indeed "attractive," the Minister of Industry and Tourism has stated that the government will be supportive and will



compete with other jurisdictions in terms of taxation, assistance and incentives. The ministry has advertised corporate incentives, high depreciation allowances, low corporate tax rates and the absence of restrictions on profit repatriation to attract foreign capital. These kinds of policies will only reinforce our dependence on multinationals for new development.

Some of the forms this government uses to assist the private sector are the direct public grants to corporations like Ford, the pulp and paper industry handouts, and various employment development fund and BILD grants and loan guarantees like those worked out with Chrysler. These constitute a drain on the Treasury, with very little return in terms of employment opportunities. Indeed, many of these grants are totally unnecessary.

According to studies by Lakehead University, investment in the pulp and paper sector would have taken place without any public subsidies. In fact, the vice-president of Spruce Falls Power and Paper stated that they did not need and did not want the grants that were being offered by this government. He said he believed in free enterprise and that their companies had the expertise and the money to be able to modernize and to compete without government intervention.

Frankly, if this government is as true to free enterprise as it would have us all believe, it must be very sorry it has induced people like the vice-president of Spruce Falls Paper to accept such tainted money.

**Mr. Jones:** And Chrysler and Ford didn't need it. You did not want those jobs.

**Mr. Wildman:** The parliamentary assistant seems upset.

Bad as these grants have been, far more insidious are the hidden grants to the private sector through tax concessions. Two of these concessions alone—the retail sales tax exemption on production machinery and equipment and the fast write-off on corporate income tax for machinery and equipment—together cost this Treasury about \$345 million in 1980.

In their desperate attempt to induce increased activity in the private sector, governments have created numerous deductions, credits and exemptions in the tax system. There is no evidence available to suggest that tax concessions to the private sector actually accomplish what they are supposed to.

As a matter of fact, Professor Richard Bird of the University of Toronto—the most respected tax economist in Canada despite the comments

made about him by the Premier when I raised the question in the House—has argued that “the weight of such evidence as exists does not seem particularly favourable,” and “there is some element of smokescreen in the usual budgetary justifications of incentives.”

Even the Treasurer indirectly admits there is a problem with using the concession route to realize economic goals. In his budget, the Treasurer acknowledges that research and development in Canada is well below the federal target of 1.5 per cent of the gross national product by 1985.

He acknowledges that the incentives already in place have not achieved their goals, and I quote from the budget statement: “We already have in place generous tax incentives. It is apparent that substantial increases in tax subsidies would be necessary to alter the current research and development investment behaviour.” The Treasurer goes on to admit that “Ontario simply cannot afford such measures.”

It is testimony to the bankruptcy of ideas among the Tories that, after admitting the failure of tax incentives, the Treasurer proposes further tax measures by the federal government since he says this province cannot afford it. The cruel irony of the government policy aimed at fostering economic growth and employment through corporation tax expenditures is that such measures appear to increase profits rather than investment. Often, even when they do generate new capital investment, they induce labour-saving technology, resulting in a net loss of jobs.

Certainly the maintenance of tax expenditures gives the corporations room to move, but they are most ineffective in generating capital investment. The net effect for the provincial Treasury is simply to increase the deficit and add pressure for the recovery of lost revenue from other taxation.

One person's tax dodge is another person's tax burden, of course. To make up for the forgone revenue as well as the decline of tax revenue resulting from the erosion of our manufacturing base, the Treasurer turns to ordinary individuals and families of Ontario. To keep his revenue deficit below \$1 billion, the Treasurer increases Ontario health insurance plan premiums by 15 per cent and personal income taxes by nine per cent. The provincial taxes paid by an Ontario family of four making an income of up to \$25,000 are the highest of any province in Canada. It is obvious who benefits and who pays in Conservative Ontario.



While higher income earners will be somewhat shielded by the total impact of these tax rate increases, since they can take advantage of exemptions such as registered retirement saving plans and registered home ownership saving plans, lower wage earners will bear the full brunt of the Treasurer's decision against increasing revenue from the corporate sector.

**4 p.m.**

The provincial government increasingly relies on regressive forms of revenue like OHIP premiums paid by individuals and families because it is unwilling to tax the corporate sector.

Because of dwindling government revenues, the Treasurer faces a difficult problem. I will admit it is a difficult problem. Unless he can increase revenues and/or limit expenditures, he must accept what he views as an increasingly unmanageable deficit. As a Conservative, the Treasurer is wedded to the ideological view that only the private sector can spur economic growth that will alleviate his fiscal difficulties. That is why he is loath to raise corporate tax rates. Considering the interest represented by the Tory party, his choice to raise personal taxes was almost inevitable.

In dealing with their fiscal problems, the Conservatives not only have chosen to tax the average wage earner while continuing their tax breaks for the corporate sector but they have also decided to maintain their attack on health and social services in this province.

Despite the Treasurer's statement in the budget about quality services for people, the fact is that the Tories have abandoned any commitment to creating social equity in Ontario. The sick, the poor, the injured, the elderly and single parents are all victims of a government restraint program carried out so that assistance to the corporate sector can be maintained.

The human services share of the provincial budget has decreased from 63.7 per cent in 1975-76 to 62.3 per cent in 1981-82. How can the parliamentary assistant justify that? The Ontario government has held budget increases to hospitals well below the rate of inflation and the increase in federal government funding contributions as well.

The result is hospitals are operating beyond their optimal capacity. There is a shortage of active treatment beds in this province, and many people have to wait excessive lengths of time before nonemergency operations. Emergency wards are overcrowded and cannot provide sufficient services. Inadequate chronic

care facilities mean that chronically ill patients have nowhere to go when this government closes active treatment beds or does not provide the needed number of beds.

In 1979, the Conservative government introduced the most unjust health care tax I know of, the chronic care copayment fee. It taxes the elderly and the chronically and terminally ill by forcing them to pay a daily fee for care. Also in 1979, ambulance fees were increased by 300 per cent. Again, these costs hit the elderly in particular.

Since 1975, levels of social assistance benefits have rapidly fallen below the rate of inflation. Today they are not adequate for the basic needs of food, shelter and clothing. Of the total social assistance case load, 77.8 per cent consists of people who are disabled and/or single parents, yet the much-needed support services such as life skills training, vocational guidance, education upgrading, job placement and affordable day care are seriously lacking.

The Social Planning Council of Metropolitan Toronto estimates that 114,000 children of working parents in Metro alone need day care. The provincial government only subsidizes 20,000 throughout the whole province, and the budget will provide an increase of only about 1,000 to 1,500 more spaces this year. That is really abysmal. The Tories' mistake tokenism for commitment to affordable day care in this province.

The Treasurer's determination to protect the corporate sector has meant social services have suffered—suffering that need not take place, because there is another way. New Democrats do not believe the answer to Ontario's economic ills lies in tax concessions to private corporations, raising regressive personal taxes and user fees and restraint aimed at the most vulnerable in our society.

The Treasurer would have us believe that, because of his fiscal difficulties and the need to attract private capital, the government has no other route to follow. If he would take off his ideological blinders, he could see he has ruined the manoeuvre in dealing with the province's economic problems, both in the short term and in the long term.

He could begin by ending some of the provincial tax expenditures like exemptions and fast write-offs for machinery and equipment. They would provide an additional revenue of \$340 million. There are a number of other tax options



open to him: reestablishing succession duties on the top three per cent of estates would yield at least \$50 million this year—

**Mr. J. A. Reed:** Rob the dead.

**Mr. Wildman:** On the succession duties, my suggestion is being objected to by the member for Halton-Burlington. I would submit we rob the sick, the ill and the poor by not collecting them.

Moving into the untaxed 50 per cent of corporate and personal capital gains would bring about \$315 million this year.

The Treasurer could also consider a surtax on personal income tax for high-income earners rather than an across-the-board increase. The government is really locked into the view that we have to have that climate. They have been trying to provide a good investment climate for years and years and still we have the problems, and they have no other options, no other suggestions.

For another thing, why does the government not consider a one point increase in the corporation tax, which would generate about \$82 million this year? Also, if the government were to move Ontario towards the levels of revenue returned on metal and nonmetal resource industries in Saskatchewan, up to an extra \$450 million would accrue to the provincial Treasury—\$450 million, and we are not including gas and oil in that.

**Mr. Jones:** No, but you are using potash rather than nickel and copper.

**Mr. Wildman:** We have Inco; we have nickel. As a matter of fact, since the member raises that, as a northern member I am particularly determined that the right to write off on provincial taxes the cost of processing ore offshore should be removed immediately. These are just a few of the possible alternative progressive tax measures—

Interjections.

**Mr. Wildman:** If we want to be serious about it, these are some of the alternatives for progressive tax revenue that the Treasurer could have considered in his budget, and then he would have had the revenue and would have been able to avoid the regressive measures of his budget.

With the required financial resources from these sources, an NDP government would become directly involved in planning and rebuilding the manufacturing sector for the benefit of all the residents of Ontario. We would build it on the economic strength of this province—our enormous forest and mineral wealth that has

been sold off and given away by this government for years. As I indicated before, import replacement would be our main goal in the manufacturing sector. Government would utilize all the economic tools available to it—planning agreements with the private sector, public ownership, crown corporations and joint ventures with the private sector. New Democrats believe that the social consequences of underdevelopment are so important that the government must use all the means at its disposal to eliminate them. Public sector development of our publicly owned resources is the natural way for the community to ensure advancement of its members.

As my colleagues from the Sudbury basin have repeatedly argued, a crown corporation to produce mining machinery for the enormous Canadian market should be established—not some kind of mining machinery institute for Sudbury as proposed in the BILD program and, as a matter of fact, not even mentioned in the budget. By the way, other than the program for forest seedling stock and a vague statement about reviewing stumpage fees, the budget completely ignores economic development in northern Ontario. What has this government got against my part of the province? They do not even mention it in the budget.

The great potential for replacing \$400 million worth of imported mining machinery provides us with a high job creation potential in this sector and an institute of some sort is not going to provide it. A public mining machinery corporation would form a vital link between resource extraction and manufacturing, creating a demand for component parts and encouraging the growth of the machinery and tool industry. In other high technology areas we would select particular sectors where we have a large domestic market and where imports capture a large portion of that market. We must not be left behind in the areas such as the development and application of silicon chip technology.

**4:10 p.m.**

Our trade deficit in computers and office equipment alone surpassed \$1 billion in 1980 and continues to escalate. Besides electronics, electrical products, transportation, processed foods and beverages, synthetic textiles, health care products and energy conservation are all examples of sectors that need rebuilding. This is not new. My colleague from Nickel Belt has continually brought these matters to the attention of the Treasurer.

Again, this government in most cases has responded by attempting to persuade the pri-



vate sector to move in with incentives and offers of grants of assistance—through BILD in some sectors—but it remains unwilling to act directly to become involved in the development, diversification and growth as an NDP government would.

The provincial government must take action to maintain the leading edge already established in Ontario in the telecommunication sector of high tech development.

An Ontario NDP government would expand skills training for professional and technical experts that high tech industries need and we just do not have enough of in this province. We want to be directly involved in the creation of new wealth that could then be used to fund the expansion of the social services needed to develop the egalitarian and fair society to which we are committed.

An NDP government would shift the priorities in health care spending to more appropriately meet the health needs of Ontario residents. Funding of hospital services would be geared to needs of the community and not to some existing arbitrary bed ratio. We all know what determines how much is spent in this province is a 3.5 ratio in southern Ontario and a four-bed ratio in northern Ontario and the government has never attempted and does not know how to explain those figures. They do not know and nobody, including the health councils, knows how they ever arrived at them.

We believe that spending should be redirected to increased home care, chronic care and to counselling. Community health and social service centres would be actively encouraged with capital support and development funding. Expanded roles for nurse practitioners and other paramedical professionals would also be encouraged by such a program.

We would immediately freeze OHIP premium levels and move to abolish user fees. The ambulance and chronic care fees would be eliminated. The costs of medical care would be shared by society through the increasing general revenues of the government and changes in the tax structure and the revitalization of the economic growth in the province.

The NDP is completely opposed to this government's policy of imposing financial burdens on the sick. The NDP is committed to funding a full range and mix of day care services to assist working parents and to enable single parents to re-enter the work force and to break the cycle of dependence on social assistance.

This would include group centres, part-time care, private home care, night care and care for children with special needs.

There has been a lot of discussion about the problems in our economy. There is substantial agreement that action is needed to rebuild our manufacturing sector if we are to provide the jobs and health and social care services that we need. We all recognize that there is a great potential in Ontario, but this government has done little to redress the fundamental structural barriers to the development of a more self-reliant economy.

The New Democratic Party proposes an industrial strategy to build a more equitable, stable and just social and economic environment for Ontarians. The necessary human and material resources exist to implement this strategy. The missing ingredient is a government with the political will to make the available resources work for the people of this province rather than outside investors. This party has that will. We have confidence in the ability of the people of Ontario to build a dynamic manufacturing sector. I regret very much that the Tory government does not share that confidence.

I began by saying that the NDP rejects the budget and the economic policies of this government. This budget does not deal with the severe structural weaknesses in our economy. The government prefers to view our problems as short-term cyclical fluctuations resulting from dislocations in world markets. As a result the opportunity to begin to use Ontario's enormous wealth of resources to build a vibrant, expanding economy producing secure employment and a stable tax base is missed.

The government perpetuates and exacerbates the chronically slow rate of industrialization that fails to finance the services of a fair and more equitable social system. The government's budget is regressive and doomed to failure. The budget is taxing Ontario families at rates higher than any other province in Canada by increasing personal income taxes and OHIP premiums while continuing concessions to the private corporations.

The government persists in its policy to direct grants and tax expenditures benefiting the private sector. By instituting ad valorem sales taxes the government intends to profit from inflation at the expense of Ontario residents. The government has failed to produce relief from high interest rates and to protect home purchasers by instituting a housing speculation tax. It refuses



to provide the political leadership necessary to deal with the structural weaknesses of our economy.

Instead of developing a strategy aimed at rebuilding our manufacturing sector through import replacement the government accepts our continuing dependence on foreign capital, and pins its hopes on global product mandating. The government has failed to spur the needed industrial research and development of high technology and to establish a public presence in sectors such as mining machinery manufacturing. It ignores the need for direct job creation programs to provide employment for the 292,000 jobless in Ontario.

Finally, the government is continuing its attack on the province's health and social services by refusing to fund community needs and increasing reliance on the regressive user fees. For these reasons we cannot accept this budget.

**The Deputy Speaker:** Mr. Wildman moves, seconded by Mr. Grande, that the amendment to the motion be amended by striking out all the words after "that," and that the following be substituted therefor:

"This House rejects the increase in personal income taxes, OHIP premiums and regressive taxes and the refusal to increase taxes on private corporations and to end corporate tax concessions; deplores the failure to provide relief from high interest rates and to institute a housing speculation tax; condemns the lack of commitment to rebuilding our manufacturing sector and to creating employment opportunities; censures the continuing giveaway and mismanagement of our natural resources; and finally, disapproves of the underfunding of health and social services and the increasing dependence on user fees, and for these reasons the government no longer enjoys the confidence of this House."

4:20 p.m.

**Mr. Cousens:** Mr. Speaker, it is a tremendous honour for me today to speak to the Ontario budget presented by our Treasurer (Mr. F. S. Miller) last week. It is a tremendous honour to be part of the government that is presenting such a responsible statement as to what is required for this province. I am able to speak in favour of it unequivocally and with pride because I know the kind of research and thinking and the depth of concern that is being expressed by this budget to the people of Ontario, not only for 1981 —

**Mr. Peterson:** Mr. Speaker, on a point of order, if I may: Is this the honourable member's maiden speech? Because if it is not, we feel we can heckle and bring some veracity to the distortions he may make. Can we find that out before he commences? If it is his maiden speech, we will give him a free one.

**The Deputy Speaker:** It is my understanding that indeed this is the first opportunity the member has had of speaking in the Legislature.

**Mr. Cousens:** Mr. Speaker, I would welcome any interchange coming from the honourable members because —

**The Deputy Speaker:** Continue the debate on the budget.

**Mr. Cousens:** I want to work up to the budget. The budget is not just something that is presented; it is presented by a government, and a government with a majority that is concerned about the needs and the wellbeing of the province.

As one who has come into this government replacing an honourable Liberal, I come with a sense of humility. The person whose seat I have taken is a greatly respected man and a man I also like very much, Mr. Stong, who is no longer with the Liberal Party.

One of the reasons I am here is because of the Premier (Mr. Davis), because of the Treasurer, and because of the leadership that this party I am with has shown and has demonstrated and which the people of Ontario saw on March 19. As I come here, I come with great pride and great humility at the opportunity to do something worthwhile, not only for my own riding of York Centre, but as well for the people of Ontario.

With respect, I listened to the member for Lincoln Centre yesterday, and I would hope he has the same respect to listen to me today. I have also listened to the member for Algoma (Mr. Wildman). Some of the comments made by the honourable members are the kind of thing that requires the taking of pills or Tums, because the statements really are inadequate and inaccurate; such as, that it was the most shameful budget ever seen; a dishonest approach by the PC government; or that Board of Industrial Leadership and Development is in disrepute in most areas, with little substance. A comment was made that even the federal government did not know how to understand it. That is more an indication of their inability to understand something that is very basic and fundamental.

As I listened yesterday and as I listened today,



when they start talking about distortions or a degree of cynicism or if they are knocking education or knocking other things, I find a certain sense of failure on the part of the second party and the third party to appreciate what it is that this budget document does contain. I think the most unkind, unjust, unbecoming statement made by the member for Lincoln Centre yesterday was—

**Mr. Peterson:** It is London Centre by the way.

**Mr. Cousens:** Oh is it London Centre? I apologize.

It was when the member for London Centre accused our Treasurer of having no philosophy, no changing philosophy, or understanding how the philosophy could change at his whim.

I see the Treasurer having a responsible approach to the needs of our province, the needs of our economy and the needs of our people. The problem is that when the members start to say these things often enough, they might even start to believe them. I do believe that what the members opposite know about finance and the economy, one could put in the belly-button of a gnat.

As I listen to the member for Algoma I also see the same kind of inability to look at the fact that the government is facing up to what is needed to keep the economy strong. We have to be forward looking; we have to be coming forward with a responsible approach.

I, as well as many others, noted that the budget speech did not contain some things and I was pleased it did not contain them. It did not contain some burdensome taxes on the businessman. Some people always seem to find money to do what they want to do by taxing business—small business, large business, any business they can. How are we going to attract business into this province so that we can maintain a strong economy? How will they expand? Why should they even come here if this province is not going to have a good climate, a good context for business to establish itself?

What we need, and what this budget says we must have, is a strong economy. We will support business by ensuring we have a climate that is attractive to them. I am a businessman and I am aware of the value of government keeping its hands out of business. I would like to see more businessmen in government so that government runs like a business.

The kind of thing this document did not contain was a statement about speculation tax as it would have affected the real estate people and the whole speculation that is going on there.

As we begin to look at what government did not do in this budget, it said to business: "Let's have business strong. Let's have a climate in which the BILD program, with its fine forward-looking future for this province, can be implemented."

This province right now—something the members opposite probably do not appreciate—has a Standard and Poor's credit rating that is triple A. It does not obtain a credit rating of that high level without having a responsible approach to fiscal management. I believe we must continue to have the emphasis that is implicit in this budget statement—that is, to respect and honour the fact that we want in this province a strong business climate.

Something else the budget statement did not contain is a fine, cute, beautiful cushion for those people who want to be protected from inflation. What we have to sit down and realize is that inflation does not begin in Ontario. We are part of it. The whole effect of inflation is something that is beyond this jurisdiction. In fact it has its origin in the federal government and in jurisdictions beyond our country. For this province to start to soothe the whole population from all the bad effects of inflation is something that just opens up the door to unlimited irresponsible spending on the part of this government.

When I listened with care to the statements being made by the Minister of Agriculture and Food (Mr. Henderson), I listened to a man who is as genuinely concerned as anyone about the needs of our farmers in this province. There he was in his presentations to the federal minister trying to gain some understanding for the hardships that our farmers are going through and the kind of statement he gets back is a very dreadful type of thing which has affected us with a tax rebate. There is also the effect on the hog stabilization program—again a statement by the federal government that does not appreciate the needs of our farmers in this province.

I listened to the member in front of me, the Minister of Housing (Mr. Bennett), who is as concerned as any person in this House about the cost of housing. But what can he do magically? It is something that goes beyond this province's jurisdiction to respond to the needs of high interest rates. That is something that can be done within the federal jurisdiction.

I strongly believe the government in Ontario cannot and should not try to solve world problems. The federal government holds the key to monetary policy.

4:30 p.m.



A statement in the *Economist* of March 21 points to the three ways in which one can fight inflation. In the article it says: "There can be relentless monetary and fiscal squeezes. There can be widespread indexing. We can reinforce a policy of moderate monetary and fiscal restraints." As it goes on, the real statement is this: "There is no free lunch. Curbing inflation without direct control over wages requires a Draconian fiscal and/or monetary policy, severe demand compression and high unemployment and idle capacity."

We do not want that. What we have seen in this budget is a responsible approach by responsible people, saying to the people of Ontario: "We want to maintain a climate of a good economy but we realize some of the problems are beyond our control. Where we can control them within our own house we will do our best to do so." Our provincial government's policies on fiscal restraint and the reduction of the provincial deficit will work to slow inflation in Ontario and that is implicit in the whole document.

One other thing this budget statement does not contain is a statement on the government's determination to contain and control government spending. I believe as much as any member on this side of the House that it is not just the members opposite who have a sincere interest in trying to find ways of reducing the costs of running the civil service.

As a member of the standing committee on public accounts and as one who is genuinely concerned about making sure we do not spend more money in the delivery of the service, I will be looking into that as much as anyone to see that this government continues to find ways of cutting the cost of doing business.

What we are most interested in having is customer service so that the taxpayers and people of Ontario are in a position to receive the kind of service they deserve and so that their tax dollars are spent wisely.

Carl Brunner said, "The true measure of the tax burden is what the government spends, not what it collects." How the government will spend its money over the next year and over the next many years will be a deep, true statement about what we are going to do to help with day care, to make the Board of Industrial Leadership and Development happen and to provide more services for senior citizens. As members of this party, we have a genuine, deep and abiding interest in the needs of the people of Ontario. That genuine concern is implicit in this statement.

What does the budget do for us? It is rather harsh and hard for us to accept, but it does attack head on the shortage of funding for programs required by this province. All we have to do is look at tables C-7 and C-8 of the document to see the way major programs are being supported and advanced.

Grants to school boards, transportation, social development policy, in health and education and many of these different sources of requirements for funding in this province are being substantially improved in 1981. That is possible by having this kind of budget.

We have to find the money somewhere. Where will it come from? There is no magical way to find money as the member for London Centre would have had us believe yesterday. He did not show us the way in which he would fund any of the fantastic things he was talking about.

This government has said that for people to have the things they truly need at this time we must and will continue to provide funding so that education, hospitals and all the services that are so important to our society can be continued, can thrive and can be built upon. We are not ending it. The promise is kept for the people of Ontario.

But there is a cost to that. The cost at this time should not be coming from the corporations, as the members of the third party would have it, but from those people who are enjoying this high standard of living. As a government, we cannot continue to increase the deficit. We are served well in this province. Through this budget, we will continue to be served well. Our people, the people who make it strong will receive the benefits of continuing support.

One of the things the budget has is the income tax reduction program. The honourable members can see on page 18 how our government will reduce the tax burdens for another 60,000 Ontarians in addition to the more than 400,000 already being helped. It takes some of the bite out for those people whom the second and third parties are concerned about. We are concerned about those who cannot afford some of the costs. So part of that is being passed on, and another 60,000 Ontarians are benefiting from that program.

I have heard people be very disparaging of the Board of Industrial Leadership and Development program. It is because they probably have not read it; or, like the federal government, because they do not understand it; or because they do not really want to believe it. What our government has done with that is to crystallize and put



together significant thinking on a significant subject that was the basis of a campaign fought and won on March 19. What we are seeing here is the wise use of Treasury funding that can stimulate the economy.

Here Ontario is addressing the age of high technology. For instance, we have a new organization called the IDEA Corporation. It has been formed to represent business, academic, labour and government research communities and it has a mandate to co-ordinate our government's efforts and to promote new technology, the supply of skilled labour, and the practical application of new technology and new ideas by industry. We feel—and this is so important to what the BILD program is all about—that a sound and comprehensive technological base is an essential requirement for a competitive manufacturing industry.

Innovative high-technology industries provide the major stimulus for job creation. New technologies in such fields as communications and microelectronics not only will affect routine day-to-day activities but also will play an increasingly crucial role in assuring Canada's continued economic growth and viability as an industrialized nation. More than ever our international competitiveness will rest upon a high degree of product specialization accompanied by a strong technological effort.

Experience shows that high-technology industries have grown almost three times as fast as low-technology industries. Experience shows that productivity, which is the output per employee, for high-technology industries was double that of low-technology industries. And experience shows that employment in high-technology industries has grown almost nine times as fast as that in low-technology industries.

Canada's trade deficit in high-technology manufactured goods has been steadily increasing over the past 10 years. Nevertheless a strengthened high-technology sector offers substantial potential for growth in our export trade. The National Research Council has estimated that a doubling of the current \$20-billion contribution to the Canadian gross national product by the technologically intensive sector by 1990 would significantly reduce Canada's trade deficit in goods and services.

When we start looking at what BILD is all about we see there something that is going to create the climate for Ontario to continue to be able to provide the services that are so important for the people. We want to see more

services for people—the elderly, the young, people of all ages in need. In this the International Year of Disabled Persons we want to our share so they can participate actively and responsibly in society. But the money has to come from somewhere. And if we have an economy that is strong enough to sustain the social services that are such an integral part of the kind of society we want then we will be able to expand and open up these people's services.

We must be more creative; we must be smarter than other jurisdictions. We are doing that now. The member for St. David (Mrs. Scrivener), in her committee's report on the future role of rail, has addressed that one aspect of transportation. It is going to begin to open up for us the potential of public transit in a way that Canada has never seen, but in a way in which Europe has enjoyed it for generations. It will do great things for my riding because people who live in Richmond Hill and Thornhill looking for rapid transit in and out of Toronto will be able to have it as we expand the GO train service. We will see benefits in Unionville and Markham as people will have more than one train down and one train back per day.

**4:40 p.m.**

**The Deputy Speaker:** Is that the GO train to Oshawa also, Mr. Cousens?

**Mr. Cousens:** We will do what we can for Oshawa too. That kind of effort being provided by the insight given by the rail committee is something that will benefit us all.

When we look at the energy needs of the province, let us not forget we are very fortunate in having natural energy resources. We are able to provide energy within our own means, within our own capabilities. We have hydroelectric power, we have uranium, we have the centres to be able to build it and provide it so we do not have the brownouts people have in other parts of the world. As we look at this whole situation we are getting into, we will have a situation in Ontario that will continue to be something of which other jurisdictions will be envious.

I would like to comment on some of the ways the BILD program and the government program we are supporting can help my community, my area and my riding. My riding consists of several communities just to the north and east of Toronto: Markham, Unionville, Thornhill, part of Vaughan, and Richmond Hill.

In 1980 in Markham alone construction was \$191 million. Of that, \$76 million was invested in residential and \$115 million was spent developing



and expanding commercial requirements. A total of 2,679 acres of industrial land has been allocated as the town's share of the capacity of the York-Durham servicing system. All this capacity has been designated in the official town plan with the exception of 232 acres. In other words, the industry in my town of Markham is going to expand in a most significant way. The town has requested the province to make available sufficient additional sewerage capacity from the York-Durham servicing system to enable the development of a further 2,000 acres of industrial land. How many areas are there in Ontario that will be opening up more than 4,500 acres of industrial land in the next several years?

The communities of Markham and Richmond Hill are adding new businesses to our area. IBM Canada's corporate head office will be located there, as will the Canadian Imperial Bank of Commerce and Allstate Insurance Company's corporate head office. American Express's Canadian headquarters, the Bank of Nova Scotia computer centre, A.C. Neilsen and many other companies are coming into our area. The community of Richmond Hill has a new town complex that consists of industry and commerce and residences, costing in excess of \$235 million.

The needs of a community such as mine are going to be significant over the next number of years. What we are going to be able to do by the growth and by the way in which our community is investing in this province is begin to have a more thriving economy, something that is being made possible by the BILD program. It is not something that is just an instant miracle; it is something that is evolutionary, working towards providing a stable, economic base for the people of the province.

One other area I would like to touch on has to do with education. I was chairman of the York County Board of Education prior to being elected a member of this Legislature and I have had many dealings with the Minister of Education (Miss Stephenson) and her ministry. I speak with a great deal of pride in having been able to put together the strong educational base we have today. I would like to somehow take away the thorn that everybody tries to thrust in her side as if education is a mess, a dilemma and a problem. It would seem to be that from the questions from the members opposite. On the other hand, if we look at the quality of the graduates coming out of our school system and the kind of thinking behind education that exists

within the BILD program and in the support of this budget, it is something of which we as legislators can be truly proud.

In considering the goals of this budget as it affects education, I would like to focus your attention on some of the educational objectives and financial requirements to achieve them. There are three aspects of educational needs concerning which I wish to make some points. These are the need for new pupil places, the commitment of this government to equal educational opportunity and the impact on our schools of high technology, and I would like to just touch on these subjects.

First is the need for new pupil places. While it is quite true that school populations in Ontario as a whole are expected to slow over the next number of years, this is not going to be the case in several parts of this province. In particular, according to the statistics prepared by the planning department of the regional municipality of York, the population increase from 1979 to the year 2001 will be: in Markham, from 67,209 to 134,000; Vaughan will increase in size from 20,000 to 130,000; and Richmond Hill will expand from 35,486 to 104,500. In total, the increase in these three municipalities, of which I am a part, will be from 122,826 to 369,000—an increase of more than 200 per cent. The resulting need for new pupil places in these three towns will be almost as dramatic as the need in North York, Etobicoke and Scarborough was during the 1960s.

Projections of enrolments in the York County Board of Education system have been developed for the next 10 years, and the method has proved reliable over the last 12 years. The figures now show that at the elementary level in a 10-year period there will be an increase in students in that area of 15,000 pupils and a relatively modest increase at the secondary level.

In the 10 years following that, the elementary population will increase steadily and the secondary population will reflect the dramatic increase experienced at the elementary level earlier. On the basis of current proposed subdivision plans and official plans and secondary plans, the York County Board of Education estimates it will need about 47 new elementary schools and 12 new secondary schools by the year 2000. The York Region Roman Catholic Separate School Board will need about 25 new schools in the same period. About two thirds of these requirements will be in Markham, Vaughan and Richmond Hill.

· A government which is committed to main-



taining the quality of its educational system and to equal opportunity for its young citizens must be responsible enough to accept that capital needs, such as I have outlined and which will require about \$200 million in Markham, Vaughan and Richmond Hill alone, can be met only by a realistic provision year by year. This budget by this government will begin to show how we can accept that responsibility, not only in Markham, Vaughan and Richmond Hill, for which I speak in a special way, but also for the rest of the regional municipality of York—for Peel, for Durham and for Dufferin, where similar but somewhat less intense demographic changes are already taking place.

As an illustration of the capital needs to which a response by this government will be required, I refer to the five-year forecast of the York County Board of Education submitted last November, which included at the elementary level in 1982 an expenditure of \$8.9 million; for 1983, \$2.4 million; for 1984, \$5.3 million; for  $\frac{3}{4}$  1985, \$5.9 million; for 1986, \$13.8 million. The expenditure compares very closely with the needs of the separate school board in our area, which also has a significant or proportional increase which cannot be overlooked.

Education of our young people is an important aspect of what the whole of life in Ontario is all about. We have shown that commitment in the past, and by the statement we are presenting here, we continue to place a high emphasis on providing for the needs of our youth.

**4:50 p.m.**

One other aspect about education that is so very important is that this government is interested in the equal opportunity provided in education. A major reflection of this position is contained in Bill 82, which ensures that every child in this province regardless of any handicap or learning disability he or she may have, will have access to an appropriate education. This budget will allow a substantial measure of support for these programs, which are designed to meet the very special needs of some of our very special young citizens. This is money invested which will come back to the taxpayers many times over in the years to come.

This government has acknowledged that the future of the province in great measure depends on our staying at the leading edge of high technology, and the development of skilled people to replace our aging skilled labour force, most of whom were trained offshore. That indeed is a priority that is being addressed.

There is support for many programs spon-

sored by the community such as industrial training committees in all areas of this province. There is support for programs designed to answer specific needs in the labour force which have been identified through the co-operative effort of industry and our educational institutions.

My third point on education is the whole new thrust and emphasis being given to high technology. It has been recognized that the students now in our schools must have the kind of familiarity and ease with computers their parents had with books and other printed materials. To accomplish the rational and economic use of these resources, we are investing in the developing of this quality in the work force, for the 1990s and beyond.

A high degree of leadership at the provincial level is required to ensure the productive investment of resources at all levels, but especially in the elementary and secondary schools. These matters are already under intensive study by the Ministry of Education and there will be support intended to ensure that our young people are in the forefront of the world.

This is a document that says very clearly that Ontario is a good place to live. It provides services for its people. I believe that; I know that; I have seen that through the services we have provided over the last number of years, 38 of which I have lived in the province. During the other four years I was too young to know what was really happening at the time.

In the meantime, we are going forward with a program and a plan that puts Ontario at the leading edge. We will continue to have that thrust that allows this province to provide for all of its people, the people who are in need. First of all, we are going to provide for jobs. We are going to see that the economy is strong and then, as we take it to the next level, we will begin to do more and more and more to meet the needs for services of those people who need special attention.

I am pleased to see that our Treasurer, who is also chairman of the BILD program, has presented this statement to us. I am somewhat surprised the members opposite are bringing forward resolutions that would test the confidence of the government, but I know that the people of Ontario have put a great deal of trust into my government. I trust we will fulfil their aspirations by providing them with the service and the support that they asked us to give them on March 19.

I look forward to the vote and I look forward



to being able to see this budget endorsed and enforced.

**The Deputy Speaker:** Thank you, Mr. Cousens; what can I say? Mr. Boudria.

**Mr. Boudria:** Thank you very much, Mr. Speaker. This is my first experience at speaking on the budget and this was the first budget I have had any opportunity to look at in any great detail. I am somewhat disappointed that the document is the way it is.

I was just listening to the previous speaker, the member for York Centre (Mr. Cousens), and I am wondering if he was speaking about the same budget I am going to speak about right now. We sure do not share the same views on the document. I think the document he read was maybe a 1967 budget or something from those years when Ontario was really prospering the way he says it is prospering at this moment.

**Mr. Nixon:** Bring back Robarts.

**Mr. Boudria:** Yes, bring back Robarts. At least things were going well in those years and I do not think they are going all that well right now.

The previous speaker said that with this budget things will go much better and so on. One cannot help but think that after 38 years, if they do not know how to make things better by this time just how long is it going to take before they finally do learn? One would think that 38 years of practising should make perfect, but we see this is not the case.

The people of eastern Ontario and the people of the great constituency of Prescott-Russell do not like this budget one single bit. They do not think this document is really what is required at this time in Ontario. I do not blame them. I do not think it is all that great either. I do not see very many government members from eastern Ontario in the House right now. I do see one, of course. But I am trying to figure out right now why we do not see very many of them in the House. I think maybe they have been in hiding since the budget came out. I would not want to go back to eastern Ontario as a government member having to tell the constituents of my riding that this is all this government can do for them. That would be terrible.

Maybe the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) has stayed in Toronto since the budget, and I would not blame him for doing that either. I would not want to go back to the people of that riding and tell them this is all the government can do for them. There are only two solutions for those

members: they either can stay in Toronto for four years and not go back home or they can cross the floor. There is just no other solution for them. They cannot go back to their constituents and tell them this is what the government plans to do for them.

Let us talk a bit about what this budget contains for eastern Ontario. Maybe we should talk about what it does not contain because we have already talked about what it contains and that is not very much. This is the same government that brought us Edwardsburgh and the Carlsbad Springs \$13.8 million land banking scheme. This same government brought us those great visions of earlier years when a certain Treasurer thought it was a good idea to buy land all over the place—land that everybody knew in our local area was not good to build anything on. Any farmer around Carlsbad Springs would tell them they could hardly build a barn in that area, let alone a housing development. The land was unstable, and yet the government insisted. They spent \$13.8 million of our money.

Those same funds could now be used in our area to build us highways. We see Highway 16 linking the 401 to our national capital. It is a disgrace. To think that is the best highway we could have to link the nation's capital with major networks of this country is outright awful. Those \$13.8 million, if we sold that land, could build a great portion of Highway 416 and we could now have a road that would lead us to our nation's capital and a road we would not be ashamed of.

**Mr. Mancini:** What are the Tory members doing in eastern Ontario?

**Mr. Boudria:** They are not here to a great extent. We only see one of them here now, and I do not blame them for not being here at this time. If I was in their situation I would hide as well.

The farmers in eastern Ontario are located close to their counterparts in Quebec. The government and the agriculture minister of this province can tell some people this is the best they can do for them; that the help they are giving is better than no help. They may get away with that in some regions but not in my region. The people from our area are located right next to their Quebec counterparts and they see the benefits of farming in that province versus the lack of benefits of farming in Ontario. They know that the farmers in Quebec get four times as much help as they do in this province.

The member for Brant-Oxford-Norfolk (Mr.



Nixon) referred to it at question period today. There are seven programs offered to the farmers in Quebec which are purely provincial in nature. There is no equivalent for any of these programs in this province.

**5 p.m.**

We expected to see help for some of our rural constituents in this budget. I was thinking we would see mention in there of the reduction of the rural-urban hydro rate differential, but there is no mention of it. We expected to see help in interest rates for our agricultural areas. We expected to see help for tile drainage.

Let us talk a bit about tile drainage and the ridiculous quota system the province has on those tile drain loans. Those areas of the province which have had the benefit of borrowing plenty of tile drain loan money in the past can still borrow more now because the whole quota system is based on the amount borrowed over the last three years. This means those areas that did not get off to an early start in the program and those areas that could not drain because the certain types of tiles were incompatible to the soil composition in eastern Ontario have had little money in the beginning. Therefore the areas that have had nothing will keep on getting nothing and the areas that have had lots of money will keep on getting lots.

The farmers of our area do not think that system works at all. It has been in place for a few years and it should definitely be removed as soon as possible. I honestly thought there would have been mention of that in the budget but there was not.

I also wrote a letter to the Premier (Mr. Davis) a number of weeks ago asking him to stop the non-resident foreign ownership of our farms. There was a large farm sold in the riding of the honourable member for Stormont-Dundas-Glengarry—or was in the process of being sold a few weeks ago. Some 2,500 acres were being sold to foreign investors who had never even set foot in this country and probably never will. I have yet to hear an answer from the Premier on that. And I have yet to hear of any policy that would try and restrict the foreign ownership of our agricultural land.

There is precedent for doing this. Other provinces have stopped this outright, except for special cabinet permissions and so forth. I think Saskatchewan, Prince Edward Island and perhaps even more provinces have put a stop to this foreign ownership of farm land by non-residents, yet our government maintains this is not a problem and that it does not require attention.

The only thing the government has done is to register the number of farmers who are non-resident in this province. I was corrected lately on that: we do not just register them; we register them once a year. Big deal. That does not do anything. The only thing that does is keep a log on the number of non-resident farm owners we have in this province.

This practice is highly speculative. The problem caused by these foreign owners is that our young farmers can no longer buy land—the price is driven sky-high by European investors who want nothing except to take their money away from Europe because of the problems in Poland and so forth. They want to bring their money into North America and buy anything with it so their money is tied down far away from Europe. That in no way helps our agricultural industry.

I want to talk a little bit about the OHIP increase—

**Mr. Philip:** You fellows voted against the speculation tax.

**Mr. Boudria:** We can talk a little bit about the speculation tax. The speculation tax in no way separates out the foreign owner. What we need is a foreign ownership land transfer tax which is far higher than the one that exists there now. In some areas it does not even exist at all. We have to have controls to discourage nonresident ownership, especially in farms.

I was about to start talking about the increase in Ontario health insurance plan premiums. I think that increase is shameful. Perhaps in some constituencies this is not as big a problem as it is in others, but in a constituency like mine there are many small businesses, many farmers, many people who pay their OHIP premiums themselves as opposed to having 100 per cent, 75 per cent or 50 per cent paid by their employers. The great majority of my constituents have to pay for their OHIP themselves by sending in cheques at three-month intervals.

For them this is nothing less than another form of taxation. To call this anything else is not correct. It is a tax because, with few exceptions, those premiums do not exist in other jurisdictions in this country. We can only interpret that as another form of taxation, and a regressive one at that, because the lower the tax bracket a person is in, the higher the percentage he ends up paying in health insurance premiums.

I want to talk a little about the gasoline tax. In an area where communities are far apart, such as in my constituency and in that of the honourable member across the floor, one has no choice



about the method of transportation. One either walks or drives. One does not get rapid transit, trains or other things to travel within the constituency. Our constituents have to use cars to get from one community to another. These people are now going to have to pay this new *ad valorem* gasoline tax, which is a tax designed to create inflation instead of to fight it.

What credibility is this government going to have when it tries to argue with the government of Alberta not to increase the price of oil? Premier Peter Lougheed is going to laugh at them.

**Mr. Nixon:** He laughs at our Premier all the time.

**Mr. Boudria:** Maybe he laughed at him in the past. Now one can assume he will laugh louder.

One problem we have is that Mr. Lougheed is going to look at the Premier and say, "Every time we increase our taxes it is good for you as well, Bill." What answer will the Premier have to that other than to go along with it? There is no other choice because it is true, except he will be able to blame Mr. Lougheed for the taxes he has increased. That is deceiving the people of this province.

We heard mention in this budget—this was before I was a member—about the mini-budget of last fall. That is interesting. It says that mini-budget actions stimulated the economy and goes on to describe how this mini-budget was a good thing. I am sure this is just coincidence, but that mini-budget came down right in the middle of a by-election campaign which the government at that time figured it was going to lose. I am sure that was purely coincidental. It would not have done a thing like that intentionally. I wonder if my colleagues think this was intentional or not, but I will leave—

**Mr. Van Horne:** They would not stoop so low.

**Mr. Boudria:** No, I am sure they wouldn't.

That mini-budget which lowered taxes was supposed to stimulate the economy. It is a strange coincidence: tax discounts before an election; tax increases after an election. It is another of those coincidences that cause one to scratch one's head a little and think, "Perhaps if economic conditions change." I do not think they did. It is the same province and the same problems. Only one thing is different: a Tory majority. Everything else is the same as it was last year when they brought that mini-budget down.

5:10 p.m.

A little further in the budget we read about accelerating the speed at which we are going to construct this fine electricity generating station known as Darlington. This is an election goody that was promised to attract votes. It was popular. The people of Ontario were concerned about unsure offshore oil supplies, and it sounded good to tell the people, "We are going to build this giant facility to give you energy."

**Mr. Philip:** The Hydro commercials prepared the public for it with their own money.

**Mr. Boudria:** That is right. The government has made this unusual, and I would say ridiculous, election promise. Now they are faced with having to live with it. Maybe they did not expect to get elected and did not think they would have to live with such a promise, but I wonder what the thought was behind making it.

**Mr. J. A. Reed:** The chairman of Ontario Hydro did not agree.

**Mr. Boudria:** That is right. The chairman of Hydro changed his mind three times before he finally agreed that this was the right thing to do. Of course, when you get right down to it, I guess that even he can be convinced who is the boss and who is not the boss. I think the government should admit that it was a mistake. They should withdraw those ideas.

Yesterday I asked the Premier a question. He was concerned about keeping the corporate tax policies and designing them to attract investment and all those things. He said, "We do not want our investors to take their money elsewhere." If that is so, then why is it that we are creating a personal income tax situation and an economic climate that drives our people elsewhere? Our young people are leaving for Alberta; our skilled technicians are leaving for other jurisdictions, because they are better off elsewhere than they are here. We will end up having lots of corporations and no people if this keeps up.

I want to talk a little bit about some of the grants discussed in the budget, and in particular the grants to the regional police forces and many other grants to the regional municipalities.

The government of this province realized some time ago that the people did not like regional government and that they did not want regional anything imposed on them any more. The government very cleverly devised a new method to implement regional government: instead of doing it by force, they just twist the arm a little bit around the back; it does not look



as bad, and they end up getting their way and achieving the same results.

One of the things the government does is to offer higher grants to regional municipalities than to municipal councils. An example of this is the grants to the regional police forces, which are considerably higher than those to the municipal police forces. These grants are intended to stimulate the idea that the municipalities should regionalize and that by doing so they will receive financial benefits.

They are trying to buy their way into regional government, because they cannot get it any other way. The reason they cannot get it any other way is that the people of Ontario do not want it. It is lucky that the Liberal Party of Ontario has spoken on behalf of the people on that issue. In areas where there are regional municipalities—I am thinking especially of Hamilton-Wentworth—the governing party has not done all that well. As a matter of fact, I understand they have a hard time getting 10 people to a meeting in those areas.

**Mr. Kerr:** How many members have you got?

**Mr. Boudria:** We have quite a few members in the Hamilton-Wentworth area.

I represent a constituency, part of which belongs to the regional municipality of Ottawa-Carleton. I beat a 14-year incumbent three to one in that part of the riding which was regional. Surely that must indicate that regional municipalities are not all that popular with the people of this province.

Monsieur l'Orateur, je voudrais parler un peu du budget, et comment ce budget va affecter les gens de la circonscription électorale de Prescott-Russell. Ce budget nous vient d'un gouvernement qui est devenu totalement insensible envers les problèmes de notre population. Le gouvernement n'a pas d'argent pour aider les agriculteurs. Il blâme le gouvernement fédéral pour cette situation.

Comment se fait-il qu'on a de l'argent pour l'hydro nucléaire pour construire une usine, et qu'on n'a pas d'argent pour aider nos agriculteurs? Comment se fait-il que notre argent est si mal placé que ça? Le gouvernement nous parle, dans son budget, du Collège de Technologie alimentaire et agricole d'Alfred. Chose fort intéressante, Monsieur l'Orateur, on va s'arrêter et reculer un peu dans l'histoire.

Ce gouvernement nous a promis dans un discours du Trône, il y a déjà un an ou deux, qu'on aurait un collège de technologie agricole qui serait localisé à Alfred, Ontario. Le gouvernement a décidé de faire cela à ce

moment-là, après avoir désigné un comité consultatif qui était censé renseigner le gouvernement sur la viabilité d'un tel projet. Avant que le comité ait pu arriver à des conclusions, le gouvernement a décidé d'aller de l'avant, dans son discours du Trône, pensant qu'il y aurait une élection pas longtemps après, et d'annoncer tout à coup, l'ouverture du Collège de Technologie alimentaire et agricole, sans savoir si le projet était viable. On sait maintenant que le projet est une bonne idée.

On nous l'annonce dans le budget, de même que dans d'autres documents précédents, aussi bien que dans le discours du Trône de l'an dernier, et l'an avant je crois, que le Collège va ouvrir en septembre 1981. Mais l'on sait, Monsieur l'Orateur, et puis ça fait assez de fois que le gouvernement nous le répète, que les électeurs le savent. Depuis les années 1920 les électeurs de ma région veulent un collège agricole pour desservir la population francophone de l'Ontario. Je crois qu'après avoir attendu 50 ans pour un tel projet, il est grandement temps qu'il soit accompli. Cette situation n'est plus nouvelle, et en y référant encore une fois dans le budget, on n'annonce pas grand-chose de nouveau à personne.

Je suis heureux de savoir, Monsieur l'Orateur, qu'il n'y aura finalement pas de cohabitation entre les délinquants du Collège Champlain et les étudiants du Collège de Technologie agricole. On se souvient que le Ministre des Affaires communautaires et sociales a laissé entendre dans la Législature, il y a quelques semaines, que c'était de ma faute si les employés du Collège Champlain avaient été congédiés. C'est peut-être populaire à dire, Monsieur l'Orateur, parce que le gouvernement tente de fuir ses responsabilités en disant ça. Mais c'est faux, et les électeurs de mon comté le savent aussi. Je regardais l'autre jour un éditorial dans un journal anglophone de mon comté qui se nomme le Vankleek Hill Review qui discutait comment le gouvernement voulait justement s'éloigner de ses responsabilités et blâmer un député de l'Opposition des congédiements qu'on avait dû faire.

On sait, nous, Monsieur l'Orateur, que les offres d'achat sur le terrain pour les mini-institutions avaient été annulées le jour avant que j'ai soulevé le point dans cette Chambre. Alors, c'est de l'hypocrisie de dire que c'est de la faute d'un député de l'Opposition que les mini-institutions pour les délinquants ont été abolies.

D'autant plus, Monsieur l'Orateur, même si c'était vrai, même si j'avais soulevé ce point



dans cette Chambre avant que le ministre ait annulé les mini-institutions, est-ce que le ministre dit aux députés de l'Opposition dans cette Chambre qu'il est interdit à un député de se lever et de parler en faveur de ses commettants? Est-ce que c'est une attitude d'arrogante que le gouvernement ose prendre envers un député de l'Opposition? Peut-être qu'ils sont majoritaires, Monsieur l'Orateur, mais cette situation ne durera pas toujours. Il y aura d'autres élections un jour, et ils auront à répondre à ces accusations.

D'autant plus que les remarques qui ont été faites par le même ministre envers les commettants de langue française de mon comté n'ont pas été terriblement appréciées, comme vous savez sans doute.

**5:20 p.m.**

Aussi dans mon comté, Monsieur l'Orateur, nous avons besoin d'aide pour les petites entreprises et d'aide pour le tourisme. On a besoin de plans d'amélioration pour aider à la route provinciale 17. Comme on sait, la route 17 longe la rivière Ottawa dans mon comté, entre Orléans et Pointe-Fortune, c'est-à-dire tout le long de la côte sud de la rivière Ottawa. Cette route faisait partie de la Trans-canadienne et, à un moment, contribuait beaucoup envers l'économie de ma région. Il y avait beaucoup de touristes qui employaient la route et les effets ont été bénéfiques à mes commettants à ce moment-là en ce qui concerne les industries telles que les restaurants, les hôtels, etc.

Maintenant, depuis qu'on a construit la route 417, les petites entreprises locales ont perdu beaucoup. Beaucoup ont dû fermer leurs portes à cause du manque de touristes le long de cette route. Ce qu'on doit faire maintenant, Monsieur l'Orateur, c'est améliorer la route 17 et fournir des indications aux gens qui s'en vont de Montréal à Ottawa ou un peu partout, qu'on peut aussi employer la route 17 pour se rendre à Ottawa, et non seulement la route 417. Il faut encourager l'utilisation de cette route afin de pouvoir faire revivre l'industrie touristique de ma région.

Mr. Speaker, I do not think I will be speaking much longer on the budget. I have already explained that the people of the great riding of Prescott-Russell and the people of eastern Ontario in general do not like it. We know they do not like it, because it is going to create hardships for them.

I do not think the people of the province like the fact that the corporate sector is being told, "We are not going to increase your taxes because we know that you need help," when at

the same time the individual's taxes are going to be increased that much. One can only assume the attitude of the government is that individuals do not need help. If they do not increase the corporate tax because they need help and they increase the other one, one can only deduce that is what the government is proposing at this time. That is something the members of our party do not like one bit.

We are told by the Treasurer that the rate of taxation in the province is still going to be one of the low ones in this country because it is going to be 48 per cent of the federal tax as opposed to 44, which is what it used to be.

What the Treasurer does not tell us is that, to get a true picture of what we are really paying, we have to add the OHIP premium on top of the provincial income tax, because it is a form of indirect taxation. When we do this we end up with Ontario paying 58.5 per cent of the federal rate, and that is the highest in Canada. The people of this province are not getting a bargain. As I said a while ago, the people at the lower end of earnings—that is to say, the people making the least money—are paying the most in percentages because of these OHIP premiums.

I have heard that the government tends to make its budget sound a little worse than it really is before it is brought out. We heard rumours that slipped out a few weeks before the last federal budget to the effect that it was going to be a really harsh one. When it came out it was not all that bad; so people were happy because it was not as bad as they figured it would be. I do not know whether this government tried this same tactic but, if it did, it did not succeed. This budget is worse than anybody could ever have imagined.

The media, the newspapers—everybody has said this budget really hurts the people. We all know, on both sides of this House, that had this budget been introduced before the election, the government would have been turfed out. We got rid of Joe Clark for much less than that, and now we are looking at a budget here that will hurt the people of Ontario a lot. We have to remember it is this province that got rid of the federal Tories because of a budget that was unacceptable to them. It is the people of this province in the next provincial election who will get rid of this government for the same reason.

**Mr. Speaker:** The member for Halton-Burlington.

**Mr. Nixon:** You mean there are no NDP or Tory members ready to speak? Oh well.



**Mr. J. A. Reed:** Mr. Speaker, we will go on and continue to present the truth from this side of the House as we see it.

**Mr. Riddell:** I think you had better define truth to those people.

**Mr. Philip:** We have had the left-wing version. Now we will have the right-wing version.

**Mr. J. A. Reed:** In the remaining few minutes we have this afternoon, I am going to try to define some of the realities of March 19 as seen from this side of the House.

There were big winners in the last election. The winners were a well-financed, well-oiled Tory dynasty, a dynasty continuing now for another four years. It is unfortunate that the losers were not the Liberals or the NDP; the real losers in this election were the citizens of the province. I regret that very much—

**Mr. Kerr:** You are saying that from your heart, are you?

**Mr. J. A. Reed:** I speak from my heart. I regret that through a process of delaying tactics, a process of connivance, a process of calculation, sleight of hand, con artistry, jingles and misrepresentation, they have elected a majority Tory government.

**Mr. Kerr:** At last.

**Mr. J. A. Reed:** The honourable member says, "At last," but I would like to suggest that the last five years in this Legislature, since the election in 1975, have resulted in some rather productive measures. At least they had the opportunity as a government to have the input into legislation of whatever sense prevailed on this side of the House through amendments. As a matter of fact, those members who are here for more than their first term will remember legislation that was improved through the efforts of the opposition party in a minority government.

We also benefited by not having the kind of budget that has just been presented to us. The government in those years would not dare present a budget that would index taxation. We all understand the realities of taxation and the fact that the government's responsibility is to tax and redistribute money as it sees fit. But to impose index taxation is a clever attempt by this government to absolve itself from the painful reality of having to impose some tax at a time closer to the next election.

**5:30 p.m.**

It was interesting, too, that in this budget there was absolutely no change in corporate

taxation. Let me guess when corporate taxes will be changed and moved up: about a year or less than a year before the next election. I do not think it takes too clever a person to figure that out. By the time we get down to a few months before the next election, the people will be faced with their indexed taxes and their ad valorem taxes, but they will not show up in a new budget. The corporations will get it and then the Tories will go out to the people and say: "What good boys are we. In the last X years we have not raised personal taxes." This is the way it goes.

I was interested in commenting on some of the taxes that were raised. Some of them have not been mentioned, and some of them have been mentioned this afternoon. One is the increase in taxes on cigarettes and alcohol. These are the wages of sin. It is quite a reflection—I think I have said this before in the House—of our Victorian past that when we need a few extra shekels we tax those things we consider to be somehow subconsciously sinful. We all feel it is very acceptable and we feel quite good about it. The government, on the other hand, continues to live off the avails of that taxation. Those are the wages of sin.

We can all stand up and feel very righteous about putting a tax on alcohol and a tax on tobacco, and the poor old guy who wants to take a drink, like perhaps myself, will pay a few cents more for a bottle of liquor. Or, if I smoked, which I did years and years ago and do not now, I would be content to pay a few cents more for a package of cigarettes. But the government is living off that. It is profiting from that. That is something that is rather unacceptable. I expect that before time goes on too long all those things that are subconsciously considered sinful will be taxed one way or the other.

Then there were these unconscionable increases in Ontario health insurance plan premiums. I think the government knows today that the premium approach is not the way to finance health services in this province; it really is not. For certain reasons, we left in the premium, which I understand is the highest in Canada and is applied by only a few provinces now. Perhaps it was because once the status quo is there it becomes quite a challenge to transfer that into the tax base or to move forward and do something progressive.

But to take that premium and add to it, particularly at a time when the government itself is considering alternatives to the premium system—right at the time when they are consid-



ering alternatives—is unconscionable. There are a lot of people who have limited incomes but who are required to pay the whole of their health insurance premiums. They will suffer greatly because of that increase in tax. It is a tax regardless of how one looks at it.

Then we had the ad valorem taxes on gasoline and diesel fuel. The incredible part about those taxes is not just the fact that they are indexed but they are being applied at a time in our history when petroleum prices are increasing at an unprecedented rate. We have built in an index that will increase with inflation as the price of these fuels increases.

If there was any calculation on the part of the government to use a tax method or tax base as a trigger for conservation or as a trigger for the development of alternative fuels and so on, it would be one thing, but in order to accomplish that the government would have had to begin a staged price increase at least five years ago, during a time when the rate of increase in petroleum prices was much lower. As a matter of fact, my party at that time advocated just such a staging. But now, in 1981, the government is applying an ad valorem tax to a product that is accelerating in price at an unprecedented rate, and that is immoral. Let me tell them that is immoral.

The BILD program was touted as a very important part of this budget. The budget was constructed to apply the beauties of the BILD program. I can tell the Treasurer that politicians out in the municipalities are not nearly as enthusiastic about the BILD program as are members of the government here. Certainly if one talks to some of the Tory mayors around the province he will find they are still looking for some of the great advantages of this BILD program; and perhaps that is a portent of the future. The BILD program may very well turn out to be a lot of hot air.

We know that all it did was take funding from the employment development program and turn it into something that was re-dressed—it is the old shell game and I talk about sleight of hand—and then they came up with a program that actually is lower in amount funded than the employment development program and they called it BILD.

The government did have some tax relief in the budget. I would like to address that because of the capacity in which I serve as energy critic. The government is now introducing a bill that will provide tax relief for vehicles that are fueled by alternative fuels. I would like to ask the

government to be very careful about the content of that legislation because it has been brought to my attention that many of the alternative fuel vehicles will also carry with them an ability to burn petroleum; probably not as efficiently but it could be used in an emergency and so on.

I would not like to think that the tax relief would be eliminated just because an automobile or truck had the ability to have a dual fuel capacity. It seems to me it would make a lot of sense if it was a major alternative fuel vehicle for it to have the other capacity, and I would ask the government to consider not eliminating a vehicle if it did have the capacity to continue to burn petroleum. The reason I say that is that from what we can see—

**Mr. Jones:** You are suspicious.

**Mr. J. A. Reed:** I am suspicious that what may happen is that the vehicle may simply be required not to have the capacity to burn petroleum even in emergencies.

**5.40 p.m.**

We would like it still to be tax exempt, simply because it will be cheaper to use alternative fuels in these vehicles than it will be to use gasoline or diesel anyway, and these things would only be done on short notice or in an emergency.

Through all that, the government comes out every few months or every year with a few more ad hoc tax reliefs on energy items. I have been in the Legislature for nearly six years, and every year I bring up the fact that I have not seen any tax relief for stovepipes. It might interest the member for Burlington South (Mr. Kerr) to know that he can go and buy a wood stove and get it tax exempt, but if he wants to hook it up he has to pay tax on the pipes.

I use that example only to point out that so many of these moves are not a comprehensive effort on the part of the government at all, but a kind of applied ad hockery that goes on from year to year. They say, "Now we are going to do it on these materials and now we are going to do it on those—and what good boys we are." But there is no program and there is no policy, so consequently something like stovepipes, which are essential if one is going to go off oil on to woodburning, are simply forgotten and left out.

I was interested in this budget because I wanted to see if there was going to be any real move towards the elimination of the differential between rural and urban electricity rates. This is quite intriguing, because if we go back to the



mini-budget we see on page 16 the line at the bottom that says, "The government has decided...to instruct Hydro to eliminate the undue differential between rural and urban electrical rates by 1982."

We found out that the most important word was not "eliminate" or "differential." The operative word was "undue" and whatever the government believes is applied to that word. Now we know that the government has no intention of eliminating the differential between urban and rural rates. They have kicked in a little bit of money that has not come into effect yet, but the most they will achieve is half the differential between urban and rural rates.

So, as my colleague has said, "Beauty is in the eye of the beholder," and these words are used to serve whatever purpose serves the hour. But the rural people of this province deserve a better shake, and they are not getting it at the present time.

Rural electric power rates in Ontario, as has been pointed out to this government, are the highest west of New Brunswick. That should not be so in a province that was blessed with a total hydraulic system up until the mid-1960s and even yet produces a third of its power from hydraulic electric power sources, a third from thermal power and a third from nuclear power. They are not getting a fair shake. As a matter of fact one wonders whether all the people of Ontario are getting any kind of shake at all on electric power rates.

I say this because in the budget and during the election campaign the Premier announced a speedup of the completion of the Darlington nuclear generating station. Whether we needed it or not, he announced the speedup. If anybody has done any cursory observing of increases in electric power capacity in Ontario, one has to come to the conclusion that Darlington would probably not be necessary or desirable to come on line before close to the year 2000.

**Mr. Kerr:** We export power.

**Mr. J. A. Reed:** The member for Burlington South talks about exporting power. He had better go back and look at those figures and find out where the markets are or might be, because they are not buying, McGee, they are not buying. They are taking a few small lots here and there, but the amount has been declining, not increasing. Why? Because one cannot compete with LG-2 in Quebec. One cannot compete with Baie James. It is hydraulic, more reliable and cheaper. With nuclear power, Ontario will not be competitive with that kind of power.

If we needed Darlington it would make a lot of sense to proceed with its completion, but look at what we have now in terms of excess capacity. We have about 4,000 megawatts sitting around in this province. If we were to put in half a million heat pumps, if we were to electrify the Windsor-Montreal rail corridor, if we were to electrify the GO Transit system and do it all by tomorrow morning—these are things my party supports—the increased demand on our electric power system would consist of half the surplus in existence at the present time.

It was interesting. The Premier (Mr. Davis) came along in the election campaign and said, "We are going to speed up Darlington." Then the chairman of Ontario Hydro was reported in the press as saying, "No, we are not." Along came the Premier a few weeks later and said, "Yes, we are." Back came the chairman of Hydro and said, "Yes, we are." The capitulation was complete. The Tory membership was renewed and on we go.

It is interesting to see that day-to-day interference in Ontario Hydro's affairs. I can remember bringing a bill into this House two years ago. It was an act respecting the public accountability of Ontario Hydro. It was a simple enough bill designed to force the government to provide an energy policy framework within which Hydro would work and to amend the Power Corporation Act to allow Hydro to accept the policy and work with some direction.

One of the accusations made against me regarding that bill was that I wanted to start interfering in Hydro's day-to-day affairs. Here we have the Premier interfering in a macro way, in a large way. It was the second major interference in about six months, the other one being the letter that went from the Minister of Energy (Mr. Welch) to the chairman of Hydro on December 15 ordering him to stop environmental assessment processes pending a statement on the report of the Porter Royal Commission on Electric Power Planning. It is rather hypocritical.

I am concerned that the budget did not address the regional system. As the member for Burlington South knows, the regional municipality of Halton was one of the the last regions to be formed in Ontario and since its formation that region has never been able to hold its head above water. With all the perks, with all the transfer moneys and with all the back-door stuff that has gone into the Halton region, it is still in a deficit situation, a situation that the Minister of Intergovernmental Affairs (Mr. Wells) says can-



not happen because the legislation does not allow the region to have a deficit. The last deficit figure I heard—and they go all over the map—was \$800,000.

**5:50 p.m.**

The people who are going to pay are the people of Ontario. When I said at the outset the losers are the people of Ontario, I meant it. They will pay on their tax bills for years to come for what this one member considers to be a great mistake.

**Mr. Jones:** Before you finish, tell us where you are going to collect the revenues? Not from cigarettes, not from liquor.

**Mr. J. A. Reed:** I may be going a little deaf in one ear. I cannot hear the honourable member very well.

There is a problem in Halton region and it is a problem that exists throughout Ontario. This budget has not even addressed the problem. It relates to a promise made by the government in 1972—and I am sure the member for Burlington South will remember this clearly—that eight resource recovery plants would be built in Ontario. An announcement was made at that time. In 1981, when energy prices are escalating at a rate unheard of in our history, when the need to transform our waste into something useful becomes greater and greater as the days go by, we see not one nickel in this budget for those promised eight resource recovery systems.

**Mr. Kerr:** They are all built.

**Mr. J. A. Reed:** Perhaps the former Minister of the Environment could tell us where they are. I wish I could. We would like to find out where they are. There is a front-end pilot plant in Downsview that cost \$15 million. I believe 75 or 80 per cent of what goes into the front end of that comes out and goes into landfill just the same. One of the great adventures that never worked. We have no resource recovery plants operating in Ontario today.

**Mr. Kerr:** Oh yes we have. We have one in North York and two in Brampton.

**Mr. J. A. Reed:** All right, the member will get his turn. He can get up and tell me I am wrong. The government has gone through the motions; it has made the announcements; it has done nothing.

**Mr. Nixon:** Watts from waste.

**Mr. J. A. Reed:** What happened to watts from waste anyway?

**Mr. Ruston:** No watts.

**Mr. J. A. Reed:** There is lots of waste though.

These promises are never fulfilled. They are used from time to time to suit some election platform and then they are forgotten. To what extent they are forgotten simply depends on whether there is a majority or a minority government. The government is doing nothing to forward progress in Ontario. It is doing nothing to help us move ahead. It has done nothing to help the most urgent requirements in Ontario today, such as financial stability and energy.

In closing, Ontario, perhaps second to Prince Edward Island, is the most vulnerable province in Canada energywise. We had an opportunity in 1973-74 when it became obvious that we could not continue our dependency on outside energy resources. What has been our solution to that? Our solution has been to move to an all-electric economy—the mythical concept that somehow electricity will do everything for us. At the same time we have resources that are sitting in Ontario untouched, undeveloped, untapped by an uncaring government that could be providing energy for us at a rate more competitive with electric power and in a form far more useful. Yet we continue to put the lowest of low priorities on those options that are available to us.

We have in Ontario the largest inventory of peat in all of Canada—the unknown energy resource. We have an amount of wasted forest byproduct that would provide all of our gasoline consumption expectations in 1990 through the production of methanol.

**Mr. MacQuarrie:** I don't believe it.

**Mr. J. A. Reed:** My honourable friend across the way says he does not believe it, but his government now believes it. Its own studies say it and believe it. The government did not believe it in 1978. Studies my party did showed it was very feasible. Federal government studies showed the production of methanol from forest wastes was feasible and competitive. Now the people opposite are finally starting to see the light of day, so they should at least spare us the verbiage. If the member wants to enter into debate with the Minister of Energy he can be my guest. He should just remember that the worlds turn because of the efforts of the energy critic of the opposition and some people who have pushed very hard to get changes made in this province.

I am almost finished, and some of the members will say, "Thank goodness."

All this budget is doing is putting \$600 million into the coffers to be wasted once again. The



members opposite did nothing to decrease the deficit. The deficit is going up. They are taxing the people in the worst possible areas, especially as they apply to the ad valorem gasoline and diesel tax. I and every member of my party are going to do everything we can to bring the message home to the people of Ontario that the government has doublecrossed them. We will

say it has been most hypocritical and politically dishonest in the way it has run its affairs over the last six months—to buy the election with fancy advertising and to stab the people in the back when the election is over.

On motion by Mr. Laughren, the debate was adjourned.

The House recessed at 6 p.m.

ERRATA

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No. 29

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Tuesday, May 26, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

**Tuesday, May 26, 1981**

The House resumed at 8:01 p.m.

## MASSEY-FERGUSON LIMITED ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 48, An Act respecting Massey-Ferguson Limited.

**Mr. Cunningham:** Mr. Speaker, I am anxious to support Bill 48, An Act respecting Massey-Ferguson Limited. I believe when this bill becomes law the final impediment to the complex financial reorganization of this troubled company will be removed. I am somewhat hesitant to see government involve itself, as a matter of principle, in extensive and rather expensive bail-out exercises. Clearly these are very difficult times. It is exceedingly difficult to explain to a small businessman or to a farmer—and I have many in my constituency who are in difficulties—that there is no way the government can involve itself or provide the same extent of assistance that Massey-Ferguson might be obtaining through this item of legislation.

It has been argued that Massey-Ferguson is a special case. I believe it may well be. I really doubt that it would be instructive to go through the litany of financial difficulties that Massey-Ferguson has been through in the past decade or perhaps two decades. Last year the company found itself in the most financially precarious position in its history. A slump in the world economy, drought, high interest rates, and competitive pressures were all factors in one of their worst years in history.

I was interested to note the press report at the time of the introduction of the bill, when it was first tabled, quoting a spokesman for the minister—incidentally, it is interesting to note that more and more people are becoming spokesmen for the minister—saying that it was simply a housekeeping bill. The spokesman was Mike Benedict, who advised it would be unlikely the province would ever exercise the purchase option, because it only would be done if the company defaulted on the loan. Simply put, the matter really boils down to the economic viability of the Massey operation. At best, it has to have a questionable future.

It is obvious that Massey-Ferguson is, in a rather prudent way, redirecting its priorities with a view to the economic realities of the world economy. The company traditionally has operated three segments. The third operation, I believe called Hanomag Construction, which involved the manufacture and sale of construction equipment, has been discontinued. The farm and industrial machinery division and the engine division operate in a number of countries, most of which have a myriad of complex licensing agreements.

Generally, the agreement that Massey will enter into with the governments of Canada and Ontario calls for the issue of eight million \$25—and this is quite a phrase here, I am an amateur in the stock market and I do not know if I have ever bought any of these—stated value, cumulative, redeemable, retractable preferred shares, series D. Quite frankly, I do not know what that means; I am not certain the minister does. He may well. If he does, possibly he should be a stockbroker instead of the minister, and he probably would obtain far better financial remuneration if he were in the stock market. There is absolutely no doubt in my mind.

These stated value, cumulative, redeemable, retractable, preferred series D shares sound fairly safe to me. I believe the proposed rate of interest is one half Canadian prime plus 1.375 per cent. It is a public offering. The federal and provincial governments will be required to redeem the shares prior to 1991 if Massey-Ferguson does one of the following: fails to honour series D shares when due; fails to redeem any series D preferred shares pursuant to a retraction privilege by 1991, or if a windup or receiver is appointed for a period of 30 days.

If the company fails to pay one cumulative dividend in the series D group, shareholders would have the right to have the province and federal government buy out the shares and I believe a percentage amount of the outstanding dividend.

I understand by way of a memorandum sent to me very kindly by Michael Gough, who is a legal adviser for the government—I don't see a QC there either—

**Mr. Nixon:** In another couple of years he will be.



**Mr. Cunningham:** Possibly on January 1 we may see one. I am advised that if the company falls into difficulty in any of the aforementioned three areas a shareholder will have to exercise his right with regard to the default within 60 days. Failure to do that will cancel the option the shareholder had for the protection.

Should the guarantee be called, both governments would forward the necessary money to a trustee who will make necessary payments. The financial obligation would be divided on a percentage basis. For all of this Massey agrees to a number of covenants, which again are only as good as Massey's ability to survive. I know all members of this Legislature who are concerned about the operation of this great historic Canadian company share my hope that the company's future will be very good and the shareholders who are taking albeit a marginal risk on this endeavour will be compensated by good value for their venture.

Some of those principal covenants include that the company will seek to redeem outstanding shares, that is the series D shares from the following sources: proceeds of the exercise of any warrants, 50 per cent net cash proceeds from subsequent equity financing—which in my view may hamper the possibility of the company obtaining new money if they need it, and it is quite likely they will—and finally, 10 per cent of the amount by which the consolidated net income of the company and its subsidiaries earned in each fiscal year starting with the 1981 fiscal year exceeds \$50 million.

It is my understanding as well that both the appropriate ministers must approve the Massey-Ferguson plans in general and that for the most part increased production will be a reality in Canada. We are going to see increased production. In addition the company has made a commitment to increase its research and development involvement in Canada. One of the fundamental problems with this company over the years has been its inability to involve itself in a very real way in modernizing its activities and dedicating enough of its resources to increased R and D. As their financial situation became more difficult they endeavoured to cut back in R and D areas. That is my understanding and that has put them behind a number of their competitors.

It is ironic that on the day we discuss this the headline in the *Toronto Globe and Mail* reads, "Canada Reaches Major Grain Deal With The Soviet Union." Knowing the political predisposition, at least the temporary predisposition of the *Toronto Globe and Mail*, I don't think the

minister could have arranged that headline—if that were something he could do. But it does set a pretty fair background for optimism in this industry and for agriculture in general if our farmers are able to survive the crunch of high interest rates.

It is my understanding that both the federal government and the provincial government may appoint a director to sit on the board of directors for this company. I am reliably advised by a gentleman who I believe is retiring in the near future that the federal government, for reasons I think I can understand, is not going to exercise its option to put a federal representative on the board of directors. I think the logic for that is very clear: if something negative happens to Massey-Ferguson the federal government wants to be as far away as it possibly can from what will unfortunately be a financial débâcle.

**8:10 p.m.**

I would like to suggest that the province should choose to exercise its right to put a provincial representative on the board of directors. I would respectfully submit that if the federal government chooses not to appoint a representative to the Massey board, we should ask to fill its place on the board so that the Ontario government can make very sound and regular input into the operation of this company. I believe it could be very helpful and a rewarding experience both for the Ontario taxpayers, who potentially are at risk for the \$78 million we are committing in this covenant, and for Ontario's percentage in the federal commitment.

I believe it would be an excellent idea to choose someone like Dr. Fleck or somebody who has some spare time—maybe Mr. Grossman senior, I do not know. But there is no shortage of good people in Ontario with a wealth of political expertise who could sit on this board. In fact I would be willing to take time out of my busy schedule to sit on the Massey board—that is how totally unselfish an individual I am.

**Hon. Mr. Grossman:** You will not be able to make the payoff.

**Mr. Cunningham:** I was being very nice, offering my support and that of my party for this most important piece of legislation in the spirit of co-operation whether the government had a minority or a majority.

I am going to wrap up, Mr. Speaker—

**Hon. Mr. Grossman:** I am going to appoint the member for Windsor-Riverside (Mr. Cooke), as a matter of fact.



**Mr. Cunningham:** Maybe that might be a good idea. I am not going to involve myself in any criticism of the NDP proposals on this item of legislation. For reasons I quite frankly cannot understand they choose not to support this item of legislation. This must be an embarrassment to the former member for that riding, but that is something they are going to have to bear.

I wish this company well, not only because the province is on the hook, so to speak, but because I think potentially it has a great future. I am not in any way qualified to make a percentage assessment of whether their chances are 50-50, 60-40 or 70-30. I only hope it works out. This is a tremendous responsibility for the province to embark on.

I will say to the minister through you, Mr. Speaker, exactly what I said to his deputy minister on the occasion of our very cordial and informative briefing session: I firmly believe we are getting a better deal on this than we are on the Urban Transportation Development Corporation.

I hope that sometime in the next two or three years we will not be involved in some kind of debate examining the failure of this company. In fact I hope that 10 years from now, if the shares have been redeemed and possibly the profits and dividends from those shares rolled over and involved in the repurchase of further Massey shares, as I hope they will be, we will be able to reflect on this item of legislation which might well serve as a catalyst for the company's financial redevelopment—

**Mr. Laughren:** Is the honourable member a socialist or something?

**Mr. Cunningham:** No, I am not a socialist.

**Mr. Cooke:** Mr. Speaker, I want to make a few very clear comments on this legislation at the beginning of my remarks tonight. First of all I do not want the minister or anyone in this Legislature to misinterpret the position of our party this evening. There is no doubt at all the New Democratic Party is committed to saving the jobs at Massey-Ferguson. We raised questions in this Legislature back last spring. The member for Brantford at the time, Mr. Makarchuk, raised questions and asked for assistance. The matter was raised in estimates on several occasions where we went into detailed questions and got very few answers. But we were used to that.

There is no doubt at all we understand the importance to Brantford of the number of jobs Massey-Ferguson provides in that municipality,

as well as at the facilities in Toronto. We understand the importance of this industry in Ontario and in Canada, and since it is a Canadian corporation and it is the only farm implements industry in this province, this company simply cannot be allowed to fall apart and go bankrupt because of its importance to an industrialized economy like Ontario's.

However, we have great difficulty because this government has decided they are going to bring legislation before the Legislature and they are going to ask to give them blanket approval to go ahead and negotiate an agreement we know nothing about. Yet we are authorizing the minister here tonight to give \$78 million worth of shares which, if one dividend is missed, we have to buy. In other words, the taxpayers of this province are being put in a position where, if something happens to the corporation, since we have guaranteed it we have to take the loss.

I am going to quote something the minister said last year in estimates, in the resources development committee. Questions were asked about the guarantees, the status of the company and what the government was looking for before it would come forward with a program in order to assist Massey-Ferguson. The Minister of Industry and Tourism (Mr. Grossman) said on October 16, 1980: "I want to choose my words very carefully so there is no misunderstanding. If there is a viable proposition put on the table that we believe is a good business proposition that will work in the longer term and will save jobs, rather than save creditors, then the province will be willing to participate."

Further on: "I can only put it this way: several expert analyses, including theirs, the bank's, those of members of the private sector and governments—all of those analyses—taken together with projections for the future and the current financial position and options for financing the current problem, have not produced at the present time, as of 9:44 p.m. tonight, a long-term viable business plan. This is not to say there won't be one by midnight tonight or noon tomorrow."

Clearly what the minister was looking for at that time was a long-term business proposition. He also indicated to us very clearly he wanted to know who was in control—who was running Massey-Ferguson. A week ago, when I rose in the Legislature to ask for that five-year business plan for the company so we could make an educated decision on this legislation, we were told we could go and get information from the deputy minister, which we did. We talked to



him, but the five-year business plan was not given to us to examine in detail, to read and to analyse, so that we could understand whether the Massey-Ferguson business plan is a viable business plan that we as an opposition party were willing to endorse.

There were other areas to go into. What this bill really says to me is that the minister wants us tonight to give him the authority to possibly spend \$78 million, certainly to guarantee that amount of shares. Yet he is not willing to share with us the information that convinced him this was a good piece of legislation and worthy of the support not only of his party but of the two opposition parties. That is the great hang-up I have with this legislation tonight. It has nothing to do with Massey-Ferguson and whether we want to help that company. We do. We understand the importance of that company to our country, to our province and to the many thousands of workers, whether it is the 6,100 or so who work directly in the plants or the 7,000 workers who were in the various dealerships across this country and the spinoff jobs that result.

A community, Brantford, is dependent on that company, and God knows I understand what happens to a city when one industry, one company, has financial difficulty and there are many layoffs as a result. Windsor has that high unemployment rate and Brantford had that high unemployment rate as well when Massey was completely shut down.

The government said it wanted to know who was in charge. It wanted the business proposition and wanted to be satisfied Massey-Ferguson could be saved. It has obviously been satisfied but is not willing to send us the documentation that allowed it to come to that conclusion.

**8:20 p.m.**

The NDP and this caucus is completely committed to Massey-Ferguson, to Brantford and to the other workers in Toronto at the plant in, I believe, the great riding of the member for Bellwoods (Mr. McClellan). There should be no question about that at all.

**Mr. Cunningham:** I think it is the riding of the great Ross McClellan.

**Mr. Cooke:** That's right. That sounds fine.

This province has a large agricultural base. There is no doubt about that and that is why this industry is very important. Ontario farms produced \$4 billion worth of agricultural products in 1979. The farms have 100,000 families and 50,000 agricultural workers. When one adds to

that the food processing industry and the workers who work in the agricultural implements industry, it is clear how important this entire sector is.

It would be completely inconceivable to all 21 of us in this caucus to allow that industry to collapse so let us make that clear.

**Hon. Mr. Grossman:** So you will vote for the bill.

**Mr Cooke:** I am not going to vote for a bill when the minister will not share with this Legislature the information that made him come to the conclusion. Why should he take us for granted and allow us to see only the legislation with no backup material? The researcher in charge of that for our caucus had more information than the minister's deputy shared with us.

In this province Massey-Ferguson produces combines, ploughs, mowers, rakes and combine tractor components. It has a steel stamping plant. It produces balers. In 1979, it had \$2.9 billion worth of sales and ranked seventh of the largest industrial corporations in Canada. It has workers in Brantford, Toronto and one other subsidiary in Cambridge. We are fully supportive of any action we are able to judge fully that would save those jobs and save the corporation.

The potential for this corporation is also rather exciting. There is the potential to get into diesels and we know that Massey-Ferguson has been down in my riding talking to Chrysler, going through its plant and looking at the potential for that engine plant. I do not know the outcome of that but it certainly has the technology through Perkins to produce a diesel engine in this province that would have a future. The engines we now produce in this province have a limited future with few exceptions.

What are the job guarantees we are talking about if the government gets approval tonight? What are the job guarantees the government would be negotiating? The Minister of Industry and Tourism has indicated the negotiations with Massey-Ferguson are ongoing. They have not even come to an agreement yet. But we are being asked tonight to approve a piece of legislation before the agreement can even be tabled.

This is somewhat different than what happened at Ford Motor Company when they came in and got the estimates approved after the agreement had been signed. We never got to vote on the Chrysler deal and I want to talk about the Chrysler negotiations for a minute because I think they are quite relevant to this round of negotiations.



The minister rejected participation in the Chrysler deal because he said the guarantees were not adequate. I have looked at the agreement the federal government signed with Chrysler and I find those guarantees are very similar to the ones talked about by this government. We are talking about 13 per cent of jobs or 6,100 jobs to be guaranteed, whatever the higher figure is. The guarantees negotiated with Chrysler Corporation provided us with nine and 11 per cent, but the Minister of Industry and Tourism (Mr. Grossman) said he chose not to participate in the Chrysler deal because the job guarantees were inadequate.

If we take a look at the research and development guarantees that were provided for in the Chrysler deal, they agreed to have a research and development plant in Ontario. They agreed to put some research and development in this province, but it was not specific enough or concrete enough and the minister decided the only participation he would have was the \$10-million research and development project.

Massey-Ferguson's research and development, as I understand it from the deputy, is simply going to be something along the lines of, "We will do research and development in Canada for any new product that comes to Canada." That is just simply not good enough for me at all, not when we are coming through with these kinds of guarantees.

We should take a look at the sourcing of parts commitments. As I have seen the information from our research and from the deputy, we are simply looking at sourcing parts fromrio if it is economically feasible, whatever that means. Those are weaker guarantees than even Chrysler was willing to give for the sourcing of parts. Yet the minister decided in the Chrysler case those types of guarantees were inadequate, and in this case they are adequate.

I may be wrong; I have not seen the guarantees. The minister has not shown them because he has not negotiated the contract with Massey-Ferguson, but when we get into committee of the whole House tonight I hope to go through some of those guarantees to see if the minister can expand on them and indicate to us exactly what they are.

I have always understood the role of the opposition party in a parliamentary system was to provide the checks and balances that exist. Then when a government has a majority, at least we can provide the people we represent with those types of checks against the government so they do not just act in a dictatorial arrogant way.

It seems to me tonight the process we are using is one that does not take advantage of those checks and balances that are built into the parliamentary system.

The banks really seem to be the big winners here tonight. It was not long ago the minister said he wanted to have someone in control of this company, and he wanted to know who was in control. I do not know tonight who is in control, but certainly the banks seem to be into this corporation—they seem to be buying a lot of the shares. It is kind of ironic that the farmers who will be buying this equipment will have to borrow money at a significant rate of interest—20 to 25 per cent. So the banks stand to win because of the guarantees we are providing here tonight and the banks stand to win again when the farmers go to buy Massey-Ferguson equipment and they pay 20 to 25 per cent interest on the money they have to borrow to buy the equipment. The banks are the real winners here tonight.

I do not understand why the minister refused to look at some of the other options that may have been available to him. When we met with the Massey-Ferguson people, they indicated to us they would not reject the idea of government directly investing in Massey-Ferguson. If we are going to guarantee \$78-million worth of shares here tonight when the minister gets his agreement, it seems to me we are taking all the risks and the investors—the banks—are getting all the benefits.

Why do we not just take the money and invest directly? That is the best way of ensuring we have some of the guarantees for research and development, for job guarantees and for sourcing of parts that are so necessary for this province. I do not know whether it is a hangup with this government that they are not willing to directly invest or what it is, but it seems to me we are taking all the risk and the banks are getting all the benefits.

When Massey-Ferguson met with many members of our caucus, they indicated to us they were committed to keeping the company operating. They did not really care how that happened. They did not care if the government directly invested. I think that is something that should have been looked at very seriously and I am not convinced that it was. I am concerned about the jobs that could potentially be lost if this company went down. The best way of



guaranteeing those jobs is to make sure government has a direct hand in the control of this company. It can do that by investing directly.

**8:30 p.m.**

What is the outlook of Massey-Ferguson with a 25 per cent interest rate? The minister has had some financial analyses done on this company by his own government or by the federal Minister of Industry, Trade and Commerce and the banks have done the same. What is the financial viability of this company with 25 per cent interest rates? Perhaps the minister can answer that for us tonight or perhaps at some point he will share with us some of those analyses of the company.

What guarantees has the minister discussed with Massey-Ferguson about getting into diesel engine production? Following the federal and provincial government guarantees, are we going to give the company a free hand to do what it wants or are we going to say we want some of that diesel engine production for our own future in this province?

Diesel engine production is incredibly important. It is one engine that has a future in this province and country instead of the six- and eight-cylinder engines we now produce. The diesel engine has a future. Are we going to get any of that? Certainly nothing I have read in the press or heard from the deputy would indicate that is going to happen.

**Mr. Piché:** Trust the government.

**Mr. Cooke:** I have great difficulty trusting this government. How could anyone trust the government after all the promises it made during the election campaign and then screwed the voters of this province in the budget introduced last week?

Interjections.

**Mr. Cooke:** He has the right idea. If he wants to nationalize Inco, that's fine.

To conclude, I want to restate our commitment to jobs in this province, to jobs in Brantford and Bellwoods. We understand the importance of this industry to Ontario's future and it is our feeling we should give the government a little more time to negotiate its agreement. Then it can file that agreement in the Legislature so we can take a look at it and make a sensible decision on the agreement the ministry has come to.

The motion I am going to put forward to hoist this bill does not preclude the government from going on to negotiate an agreement. All it says is it is going to give the government a few more

weeks to come to an agreement and then we will be willing to deal with this bill on second reading in an intelligent fashion.

**The Acting Speaker (Mr. Cousens):** Mr. Cooke, seconded by Mr. Philip, moved that Bill 48, An Act respecting Massey-Ferguson Limited, not now be read for a second time but be read for a second time eight weeks hence.

**Mr. Piché:** No compassion for the workers.

**Mr. Cooke:** If anybody should know about hurting the workers, it is you guys over there. Plants close and you don't do a damn thing.

**Mr. Gillies:** Mr. Speaker, it is my privilege to speak in support of Bill 48. I can say in a personal fashion that I do not think anything in which I have been involved since my election to the Legislature has had such a direct and important bearing on the work I might do here.

It is about a year and a half or two years that we have been going around the block with the Massey-Ferguson thing. There have been endless meetings, contacts and phone calls. I am very proud and happy indeed that we finally find ourselves tonight in a position to take a tangible step to help the company and to help the working people in Brantford who have suffered through prolonged layoffs.

I wish to offer very personal thanks to some of the people responsible for this deal. First, I would say to the honourable members that I have for many months been in close and regular contact with my colleague the Minister of Industry and Tourism (Mr. Grossman). I mention the dedication of the minister and his staff—I think of Red Wilson, the deputy minister; Michael Landry, executive assistant to the minister; and other people—as well as officials in the Ministry of Treasury and Intergovernmental Affairs and the Ministry of the Attorney General who have worked very hard to put together the deal we will address in Bill 48.

We also have to direct some comments towards the dedication and intelligence and good business sense of Mr. Victor Rice, Mr. Murray Davis, the retiring president of Massey-Ferguson, the Brantford management, and the other people responsible for the ongoing activities of that company.

If some day I retire from this House and write a book, as seems to be a very common practice with retiring members of the Legislature, I will put a chapter in there which perhaps cannot really be told now. I think somewhere down the road the story will have to be told of the very personal and important contribution made to



this debate by the Premier of our province. It could well be said at several points that it was the Premier, in conjunction with federal officials and in conjunction with his minister, who saved Massey-Ferguson.

I also want to commend the member for Wentworth North (Mr. Cunningham) on his comments. I want to commend the members of the official opposition for a very responsible and humane stand on what has been a difficult problem in our area. I think I detect the fine hand of my friend the member for Brant-Oxford-Norfolk (Mr. Nixon) in that. I know he often puts principle ahead of—

**Mr. Cooke:** What kind of car do you drive?

**Mr. Gillies:** I will get back to that one. I would say the member for Brant-Oxford-Norfolk often puts common sense and the feelings of the people he represents ahead of partisan politics and is to be commended for that.

I want to spend a few moments discussing Massey-Ferguson as a company and some of the problems it has had, and demonstrating that this is a company worthy of support.

**The Acting Speaker:** You are talking to a hoist motion. You are dealing with whether it is going to be considered now or eight weeks hence; so you had better deal with the question at hand.

**Mr. Nixon:** I might ask your reconsideration of that matter, Mr. Speaker. Certainly, you would get advice from other sources, but my understanding is that in a situation like this, when we are discussing whether the bill should be read a second time now, we also have to talk about the principle of the bill.

If you restrict us only to whether it should be read eight weeks from now, it really means the whole purpose of the debate, to talk about the principle of the bill before us, will be lost since, as you pointed out, when the motion is put you will say, "Shall the bill now be read a second time?"

If we have not had a chance to talk about the principle, then the whole basis of this debate goes for nothing. I ask for your reconsideration, sir.

**The Acting Speaker:** Accepted. Carry on, Mr. Gillies.

**Mr. Gillies:** Mr. Speaker, I really do not see how we could address the question of the hoist motion unless we talked about the principle of the bill.

I hope to show that, while Massey-Ferguson is undergoing a very difficult and critical adjust-

ment period, the company is essentially stable; so we are not, as some would have it, sending good money after bad in aiding its refinancing.  
**8:40 p.m.**

The reasons for Massey's current problems are complex. The company in the early 1970s overexpanded its operations and did so using short-term debt rather than equity financing. As a result, its debt-equity ratio reached the totally unacceptable range of about 6:1. The recent increase in interest rates made the servicing of these debts untenable and, in addition, the interest rates depressed markets—markets that were already depressed by droughts and the grain embargo against the Soviet Union.

I might say I was very pleased to hear on the news last night that the government of Canada shortly will be again entering into some very large-scale grain export agreements with the government of the USSR. I know this will have a very direct influence on the future of this company and other farm machinery companies in the country.

Finally, the increasing value of the English pound reduced the export potential of its sizeable UK operation.

Massey is not, however, a company that is asking for aid while doing nothing to resolve its own problems. It has in the last year done much to rationalize its international operations, relying on its key products. It has increased efficiency and decreased the number of minor lines produced and, with the new financing package that the bill will help accomplish, it will have gone a long way to resolve this debt-equity problem.

There are other reasons to be optimistic about Massey's future. It kept its market share of sales at a time when all agricultural markets were depressed. It has even increased its share of the key high-horsepower-tractor market in the United States.

A very interesting point is that its position in the marketplace was improving last year until all of the bad publicity surrounding the debt load hit in the fall, at which time it tapered off. Indeed, its net sales grew four per cent in 1980 to \$3.132 billion worldwide. In addition, the leading indicators show an upturn in the market in late 1981 or early 1982 in spite of the interest problem.

The company has developed a long-term financial plan. Studies done by the company's major creditors predict that Massey will continue to be economically viable. To paraphrase Mr. Victor Rice, the chairman of Massey-



Ferguson: 'We are talking about a company whose product line is highly competitive, whose manufacturing capabilities are now up to or fast approaching acceptable standards and whose dealership organization is strong. It is a company which is nearing the end of a rough period, which has a comprehensive plan to meet the challenge which the decade holds.'

Mr. Barker, the vice-president and treasurer of the company, adds: "We have come a long way, further than many people thought we could, and although we have many problems to work out, they look easier than the ones that have already been solved."

I want to point out that we are not only saving a company; we are saving a Canadian company and, in every sense of the word, a Canadian success story. It is a company that has been manufacturing farm equipment in Canada since it was established in Newcastle in 1847. It developed an amalgamation with Harris and Sons Company of Beamsville. In 1870, they established in Brantford, and in 1891 they amalgamated with a number of other concerns, leading to the Ferguson Corporation amalgamation in 1953.

**Mr. Nixon:** The Masseys were all Liberals. You should be aware of that.

**Mr. Gillies:** I am aware of that. I am being very broadminded about this. The Cockshutts were Conservative, but we will not get into that.

Massey-Ferguson now has direct market coverage in 190 countries, production facilities in nine countries, parts facilities in an additional seven countries and worldwide licences for the sale of farm equipment. It is a company where 54.2 per cent of the common shares are listed as owned by people having Canadian residence. In addition, most of its debt in the guaranteed preferred shares, which will carry with them warrants for conversion to common shares, are in the hands of Canadian financial institutions.

I suggest that Massey-Ferguson is also a forward-looking company. They are increasing their use of computers—in design analysis, in processing results from mobile instrument labs, real-time testing and infinite element modelling. They are developing engines that will maintain efficiency while tolerating degraded or mixed fuels. They are looking into increasing power and fuel efficiency through turbocharging. This year, their new worldwide purchasing data base system is scheduled to become fully operational, and internal product tests have indicated a 20 per cent improvement in product quality since 1978.

I want to turn for a moment to the relationship of Massey-Ferguson and my constituency of Brantford. First of all, I wish to point out that the Massey facilities in Brantford account for 2,394,000 square feet of space, 56 per cent of all its space in Canada, and the employment in the Brantford area of 2,663 people, plus an additional 637 people on temporary layoff.

I did not intend to be overly partisan or provocative tonight, but I had to listen to the comments of the member for Windsor-Riverside (Mr. Cooke), whose speech could have been entitled, "You Can't Have It Both Ways."

The former member for Brantford, the man the member lauded and the man I defeated in the election, ran on a platform supporting this agreement. He had in his brochures and in his newsletter, "The Massey deal—a good deal for the people, a good deal for the taxpayers." He tried to tell the people of Brantford he was responsible for this deal.

I have never heard such hypocrisy coming from the NDP until tonight, when I heard the member's other colleague speak. He cannot have it both ways. The working people of Brantford turned against that party in March, and its members are not going about it the right way to get them back.

Two possible scenarios can be developed regarding Massey-Ferguson. The first scenario, based on a refinancing of Massey-Ferguson, is a scenario involving—according to Massey's general manager in Brantford—the rehiring of all the people on temporary layoff and the possible expansion of its work force.

We are talking about a scenario that involves the transfer of product lines into Brantford and the possible addition of manufacturing space. We are talking about a refinancing package in place that will allow the transfer of jobs from Des Moines, Iowa, into Brantford.

We hear from that side all the time about jobs leaving the province, and here they stand to screw up a deal where jobs are moving into the province.

Brantford, I hope, will become the centre of future Canadian development in the farm machinery industry, and there is a possibility of some—

**Mr. Martel:** Was that parliamentary, Mr. Speaker?

**Hon. Mr. Timbrell:** It's a health term. You should know that.

**The Deputy Speaker:** Order, please, Mr. Gillies. First of all, I want to point out that we



are having trouble with the microphone here at the chair—for some reason it is not working—so we are having difficulty with some comments.

I ask the member to please try to restrain himself a little bit so that I need not call him to order. Try to speak to the motion and carry on in a parliamentary manner, because I am not going to be able to call you to order with the problem I am having at the chair with the microphone.

**Mr. Gillies:** My apologies, Mr. Speaker.

The scenario without the refinancing agreement involves continued layoffs and possible closing. Not only will the entire Massey work force be out of work but other local industries in Brantford, and for all I know in Bellwoods riding, could be involved as well. For example, there is another company in Brantford, Gates Rubber, which employs 610 people and which would completely fold. It would not be viable at all without Massey-Ferguson. The chamber of commerce in Brantford estimates that about 25 per cent of our work force would be in jeopardy without the continued help of Massey-Ferguson.

Closing of Massey would involve a loss of one of our community's better corporate citizens. Massey-Ferguson has always been responsible towards its work force, saving the city from a lot of major labour unrest. They have had very good labour-management relations at that company. They have also contributed to community projects, such as our new aquatic centre. They have been involved in the chamber of commerce industrial affairs committee and development committee.

I hope all members of this Legislature will find that second scenario completely unacceptable. We must aid in the Massey financial crisis. The only question becomes how best to do so.

**Mr. Martel:** That is what we want to know.

**The Deputy Speaker:** Mr. Gillies has the floor, please.

**8:50 p.m.**

**Mr. Gillies:** With all respect to the member for Sudbury East, I really thought until tonight that we only differed on how best to accommodate this company; I really did. I have had to call that into question.

This government put together an agreement—

**Mr. Wildman:** What is the agreement?

**Mr. Martel:** What is the agreement? Tell us what it is.

**Mr. Gillies:** Okay. I will be addressing a few of those points if the honourable members will bear with me.

Interjections.

**The Deputy Speaker:** Mr. Gillies, it is not question period yet. Please ignore the interjections and carry on.

**Mr. Gillies:** Mr. Speaker, I am proud of the action of the Ministry of Industry and Tourism in meeting with representatives of the federal government, the company, the unions and the creditors to put together a viable deal. I am pleased the result of the negotiations is a total refinancing package as opposed to some Band-Aid solution, just another loan to a company already overloaded with a debt load.

A refinancing package unlike any other kind of assistance will not just buy time but rather, as the company's annual report said, "will put the company into a position where short-term financial criteria will not need to rule day-to-day operational decisions. Action has been taken to secure the maximum economically feasible benefits for Canada in terms of jobs with the minimum risk to the taxpayer."

The members of the third party, as they said in this House last year, may have wanted to sink more money into Massey-Ferguson by buying it. We hear a lot of talk from that quarter about banks. I say with all respect, what would the purchase of Massey-Ferguson have served to do except to get the private creditors, most of whom were major banks, off the hook?

We are getting ironclad, made-in-Canada guarantees with this agreement. The action that holds the best prospect for the maintenance of these jobs and this industry in Canada is to protect the economic viability of Massey-Ferguson in the private sector. That, in turn, is best done by recognizing the international character of the company, maintaining maximum flexibility in decision-making, leaving operational control in the hands of people who know the industry and leaving the investors in control of the company. They, unlike the government, have some personal stake in the continued health of the company.

As part of the agreement, we have secured assurances that, wherever economically feasible, Massey will look to Canada first. We have obtained the right to look over the company's shoulder for some time so that the investment of the public will be protected for the benefit of the people of Canada. We cannot, however, put such ironclad guarantees into an agreement, as



some members suggest, without risking the financial collapse of Massey-Ferguson and the ensuing loss of public money and funds.

The wisdom of the government's approach in this matter is best summed up, if I may quote the minister from October 21, 1980: "If we are successful in the current endeavour, we may end up saving those jobs, getting outstanding commitments to preserve those jobs, adding to our industrial strength in that sector and not costing the taxpayers of the province a nickel. That, it seems to me, is good government." That, it seems to me also, is good government.

I want to address a few words to the motion of the member for Windsor-Riverside to delay second reading by what is commonly called a hoist amendment. I suggest that the people in my riding, the working people of Brantford, cannot afford a one-month, two-month, six-month or any other delay in the passage of this legislation.

I certainly did not see such a motion for a hoist come forward from those quarters when the Chrysler deal was being negotiated. Such a manoeuvre runs the risk of destroying the entire agreement. At this point, all the understandings between the various parties including the creditors are dependent upon the completion of the government's agreements with Massey.

Others may not wait for the Legislature of Ontario to make up its mind. We are not just talking about provincial money. We are talking about the involvement of \$500 million of private investment and the investment of \$125 million by the federal government. Are they really going to sit around while we in the Ontario Legislature decide how long we want to hold this up? That displays a rather shallow, callous disregard for the people and a very naive approach to the marketplace and the workings of business.

A long delay might indeed trigger speculation about the government's commitment to the company, which in turn could jeopardize the private investment. In addition, if Massey-Ferguson is to survive, it must take advantage of the projected upswing in the farm implements industry, which it projects will take place before early 1982. As long as there is any doubt about the financial viability of the company, and as long as the company itself is in doubt as to the size of its financial reserves, Massey-Ferguson will not be able to capitalize on this growth possibility.

The member opposite may argue that this chamber cannot be expected to vote the mon-

ey for this guarantee unless and until he has had a chance to examine the long-term plans established by the corporation. I suggest that to bring the company's five-year plan into the public forum would serve little practical good except to give an advantage to its competitors in the farm machinery industry.

At a time when Massey-Ferguson is trying to get itself back into the running and trying to increase its market share, why should it tip its confidential internal economic records to its competitors? That, I suggest, would be very naive and in the long term would be detrimental to the company itself.

I agree, of course, that ideally we should know what is going on and should vote after the relevant information is brought forward. However, it would not make sense for Massey, nor would it make sense for the investors, to bring that five-year plan into the public forum, and in the long term would be a detrimental step.

Massey-Ferguson, in conjunction with this government and with the federal government and, I am very pleased to say, with the co-operation of the official opposition, is about to piece together an agreement that will be a major step forward for an industry and for an economically depressed area of this province that I am very proud to represent.

I am confident that the people of Brantford, the management of Massey-Ferguson and the vast majority of the members of this House will stand together behind the working people of Brantford in supporting Bill 48.

**Mr. Nixon:** Mr. Speaker, there should be no doubt in the minds of any member of the House that if the ill-advised amendment put forward by the member for Windsor-Riverside (Mr. Cooke) were to succeed tonight, heaven forbid, it would kill the bill—

**Mr. Laughren:** Why?

**Mr. Nixon:** The honourable member who is asking "Why?" should understand that the traditions in parliament have used the hoist motion to kill a bill when the party putting it forward does not have the guts to vote against the bill. That is precisely what the NDP will have to do, because you, Mr. Speaker, will put the motion, "Shall the bill be now read a second time?" at the completion of this debate. I feel very sorry indeed that the NDP, particularly with its spokesman from Brantford no longer on the scene, is going to vote against the bill.

It is almost as if they have cut Brantford adrift. It is okay if it is going to be money for



Windsor; but if it is going to be money for Brantford, cut them adrift. So I feel very badly about this.

If the member for Windsor-Riverside, who put the amendment, does not understand the disastrous effects, the ramifications of the motion, then I feel that his House leader should have so advised him. If he could not get the advice from his House leader, he might have consulted one of the clerks at the table, which would have been sensible indeed.

All of these weasel words, saying, "We wish everybody well in Brantford, but we are going to vote against the bill," are simply no good under these circumstances.

I do not like the bill particularly. I wish very strongly that we had full employment. I wish the farmers were prosperous enough to buy these \$75,000 and \$100,000 combines every other year. I wish the economy were powerful enough to support the \$12 and \$14-an-hour workers to the extent to which they were employed until the economic problems that we face began about 18 months ago. Unfortunately, that is not the case.

We may blame the Minister of Industry and Tourism (Mr. Grossman). We may blame Mr. Gray or Mr. Trudeau. We can blame somebody else. But my own view is that the very best economists, the most highly paid advisers snuggled in the back row, do not know any more about it than we do. All we know is that we are faced with a situation that could achieve disastrous proportions unless we act.

I have a problem even with that, because in the headlines in the Brantford Expositor the NDP are saying strongly that Ottawa should buy Massey-Ferguson and White. Talk about equity! They want to own the company. They want some politician to run it.

**Mr. Martel:** Sounds like Petrocan, doesn't it?

**Mr. Nixon:** I suppose so. I do not know who they want. Do they want the Minister of Industry and Tourism to run it? That is fine. I will tell them I like the alternative that we have here. I am not at all sure if in the long run it will work, but it is certainly better than the NDP alternative.

I want to say something specifically about the company as well. I interjected rather facetiously that the government should be aware that the Masseys were Liberals. Since the member for Brantford in his address talked about some of this background, I want to speak briefly about it as well—but not so much about their Liberalism, which was diluted by a heavy injection of a

lot of money at one stage since a lot of the farmers right across Canada and across North America used to buy their reapers. The Masseys became very wealthy.

At one stage, Vincent Massey, before he became Governor General, was actually the president of the Liberal Party of Ontario, an office that I had the honour to hold at one time. I do not expect to go on to be Governor General of Canada the way Mr. Massey did; however, who knows what the future holds for those of us who hold true to Liberalism?

The Masseys were very successful along with the Harris family, and the conjunction of those two competing firms established the industry in Brantford. The Harris family seemed to pass out of the picture. It is interesting that someone mentioned the Ferguson adjunct to the company, because Harry Ferguson was really a latter-day genius and developed a hydraulic system that is used in almost all tractors today and, as my colleague the member for Essex North (Mr. Ruston) mentioned, the three-point hitch. If you don't have that on your tractor, you ain't got a tractor these days.

**Mr. Hennessey:** Now, now.

**Mr. Nixon:** Don't you have a three-point hitch, Mickey? But, Mr. Speaker—

**The Deputy Speaker:** Yes, I am listening.

**Mr. Nixon:** —the injection of this development from Harry Ferguson really brought Masseys along with the world-leader tractor. They became extremely competitive with the two larger firms, John Deere and International Harvester. Then on the way to becoming an extremely successful firm something happened, and that is that the Argus Corporation acquired control.

I am not really prepared to spend too much time criticizing E. P. Taylor, and he may not read Hansard as he sits with his feet up in Nassau contemplating his navel or whatever there is to look at there. I have the impression, and I am an innocent in matters economic, that Argus Corporation for some years seriously mismanaged the corporation and milked it of its profits to a degree from which the corporation has not really yet recovered.

**Mr. Martel:** It wasn't the civil servants who broke it then?

**The Deputy Speaker:** Speak to the motion.

**Mr. Nixon:** My colleague the House leader of the NDP is under the impression that all of these businesses would work better if politicians were operating them; that is probably the difference



between us and why he is sitting there and we are sitting here. I hate using that phrase, but it is appropriate under these circumstances.

I do not want to spend time, since so many of the newly elected Conservatives are getting restless in their back row seats and telling me to get on with this and not make a budget speech, but certainly the management of the corporation was seriously defective. I have a list of a number of things they did wrong. I just want to read them to the honourable members.

The company relied on bank loans and credit instead of issuing stock. God knows why it did that. I guess Argus did not want to dilute its control. I really do not understand it. But as has been pointed out by other members, including the member for Windsor-Riverside, it resulted in a tremendous piling up of debt. Although the average rate was 25 per cent, the Argentine debt carried an interest rate of 144 per cent.

It had a direct debt of about \$960 million at an average interest rate of 25 per cent. One of the interjected questions, I believe from the NDP, was whether the company could be viable, even with our assistance, if it were paying 25 or 24 per cent on such an enormous debt. Probably it is considerably more than that, because the banks and other creditors who have extended cash for its operations amount to 250 corporate entities around the world.

How they can keep all those balls in the air at one time amazes me. No wonder it is computerized, because that is the only way it could possibly manage its debt. When some backwoods, dusty bank manager in the middle of Australia called one of their minor notes of a couple of million dollars, the whole company almost folded like a deck of cards. I would not be surprised if it did not take a night letter from the Minister of Industry and Tourism himself to the bank manager in West Melbourne or wherever it was to cool him off.

It is interesting that we in this Legislature are debating such an important bill involving the jobs of about 6,000 Canadians, because in a sense it also involves the jobs of 40,000 non-Canadians in other countries. I doubt if other parliaments and legislatures are sweating, hollering and interjecting about it to quite the same extent we are, because it seems the salvation of this company lies entirely on our shoulders.

The government of Canada has already made its commitment of \$125 million. Up there even the NDP is supporting that, as far as I know. I am not sure if it has additional information that the NDP here does not have. It could be that the

federal NDP, taking a responsible position for the maintenance of jobs in the Brantford area, is deciding to support a proposition that is certainly a problem. We wish the economy were such that we did not need this bill but, as I said at the outset, unfortunately we do.

**Mr. Gillies:** They have a federal member for Brantford.

**Mr. Nixon:** The federal member for Brant, Mr. Blackburn, was quoted in the Brantford Expositor as saying that as a last resort the company should be purchased by the government of Canada. I guess that is all right. There is precedent for this, but in this instance I would not want the government of Canada or any other government taking over Massey-Ferguson. It is not quite like Canadair. Frankly, I do not think its prospects are as good.

My colleague the member for Wentworth North (Mr. Cunningham) said he hoped that at some time in the future the House would not be debating some further salvation operation. I say, humbly, "Amen," because the prospects of that occurring are not beyond the pale of possibility.

The problems the company still has are enormous and are almost insurmountable. Still, this is the procedure that has been deemed by the federal and provincial governments to be best under these very difficult circumstances. It has been said that it would be a disaster if a company such as this were to go bankrupt, and I suppose it would.

White Motor Corporation in a sense did go bankrupt. Its American parent was put into receivership, I believe by the government of the United States or its creditors in the United States, and that affected the company here. While they did not exactly padlock the gate, almost everybody was laid off with a few exceptions which I will talk about in a moment, and other Canadian financing came about.

The company was put together again from the ashes. It is now rehiring and making a benefit of the obvious assets that the White Motor Corporation had established, namely, one of the best combine technologies anywhere in the world. I refer to that because White Motor Corporation has experimental combines that operate out of Brantford. They like to do some combining in the area to see how their machines work under different circumstances.

**9:10 p.m.**

**The Deputy Speaker:** Does this work into the motion?

**Mr. Nixon:** Yes, this is right on the motion.



As a special favour to them, I let them do some combining on my farm. I can well recall, as this tremendous mastodon of an experimental combine was trundling back and forth across my bean fields, a car drove in. I thought, "Who the devil is coming to slow this thing down now?" The person introduced himself as a representative of the Canadian receiver, Clarkson Gordon. He said: "We are checking on the assets, and this machine is one of the principal assets. We wanted to see if it really existed." I am glad to report to you, Mr. Speaker, that it was doing a very clean and efficient job of harvesting my soybeans. I sincerely hope they are going to see fit to do similar experiments in the coming crop season.

One of the other serious problems is that Massey-Ferguson has some kind of expansion disease, almost a mental disease. They moved into every country in the world and bought already established factories and companies as if they had absolutely no responsibility to themselves or to their corporate shareholders. For some reason, they felt they could do no wrong, and it turned out they could do no right. In fact, all their decisions resulted in difficulties, such as we have already referred to, when interest rates went up.

The next thing is that we had drought and very poor crops. The farmers, who perhaps are too quick to go to the bank for the kind of credit that enables them to buy these very expensive machines, were turned off that prospect. They decided to make their machines work a bit longer, and sales dropped.

The ridiculous business about a grain embargo on sales to Soviet Russia was simply the straw that broke the camel's back. Prices tumbled on the Chicago futures market and the grain market. People like Morty Shulman, who work in futures all the time, were probably selling them short, because they can make money whether it goes up or down. Mr. Speaker, you and some of your colleagues know all about that. It was another blow to the farmers who found they simply could not buy the machines these companies were producing.

I believe there was also a reference by the member for Brantford (Mr. Gillies) to the fact that the technology fell short of building tractors the farmers needed or felt they needed. Tractors with more than 100 horsepower were not in the spectrum of the products Massey-Ferguson built. I could spend quite a bit of time—and if I am prodded, I will—talking about that kind of market.

There is a certain competition among farmers to have a bigger and better tractor than their neighbour. They have to have stereo and air conditioning, and I do not blame them for this. Farmers—and I am one of them—work harder than members ever realize or imagine. There is no doubt about that at all.

The tractor market soon left behind the family farm unit of about 60 to 80 horsepower, and any farmer who did not have a 100 or 150-horsepower tractor was really not in the macho competition. Poor old Massey did not have anything. After a while, they started buying some from other companies and pasting on MF labels, but it was a little late and somehow it did not wash.

I am glad to see that Massey's developing technology is remedying that and they do have first-rate big tractors for sale. Many of them are in use in our community.

There has also been some reference to the Perkins diesel component of the Massey International conglomerate. My colleague the member for Essex North said it was one of the best diesels, and it still is, except for one teensy little problem: it was too expensive to bring over from the United Kingdom and put into machines built here.

Because of the escalating value of the British pound and certain residual problems of productivity, which is one way of putting it nicely, the cost of the Perkins diesel soon became so high that it could not be put into machines in North America and sold to farmers on the relatively deflated—believe it or not—economic base we have.

There really was terrible management. One of the things the managers did do when they ran into some problems was send a letter to all of their employees saying, "Write your political representatives telling them that we need money and we need it fast." Interestingly enough, a large proportion of the letters I got urged that money not be given to Massey-Ferguson. They were complaining about the inadequate management and the wastefulness that is more or less a byword as to what goes on in those plants.

I feel sure that to some extent management has come to its senses, but they in turn are often extremely critical of the productivity of the work force. There is criticism on each side.

The farmers, not being forced to buy Massey equipment, can turn to the alternative competition and say: "Well, I used to buy Massey, but I keep reading that they are in trouble; they may not be there next year for the parts we need and,



therefore, we are going to buy some other brand." It was mentioned by the member for Brantford (Mr. Gillies) that their sales did take a tumble as the confidence the farmers previously had in Massey-Ferguson equipment was reduced. We hope that can be re-established.

Much has been said by the speakers for the NDP that we do not have sufficient guarantees. Naturally, we would like the kind of ironclad guarantees that were demanded before the Chrysler deal was entered into with the support of the NDP, but it was put to them by the government and by objective spokesmen that it is impossible to have that kind of guarantee from a company that has to have the freedom of action to compete in the marketplace and can guarantee a specific number of employees. I do not know what they do if people simply do not buy the product. There is no way that can be guaranteed even by the honourable minister himself with his undoubted abilities as a salesman.

I do believe that Mr. Rice, the present president, has done a good job in moving around the world and restoring the confidence of the investment community, more or less playing one positive force against another, based to some extent on the commitment made by the governments of Canada and Ontario to enter into the very agreement that is contained in this bill.

I do not know Mr. Rice, I have never met him, but frankly I feel that he is a little more practical in his corporate leadership than the rather dilettante approach, from my observation, that was put forward by Mr. Conrad Black and his brother, Montagu. They, of course, undertook to write down the value of their holdings in the firm to zero.

I do not even know what that means, other than presumably they were of no value to them and, since they were of no value to them, they gave them to the employees' pension fund. There was going to be some review as to the ramification of that writedown and gift. It seems to me that the minister made an undertaking months ago to report to the House about what the ramifications would be to Argus Corporation of this generous handout of the valueless shares from Argus.

Some of the statements that Mr. Black made at the time, from my point of view, were really appalling. If I were going to take as much time as I wished on this bill—and I see the minister is getting very itchy and keeps looking at the clock—I would like to quote some of the things

Mr. Black said, like how relieved he was to get out of Massey-Ferguson and that they were in a position to lose nothing but perhaps make a lot of money out of the Massey involvement. He was very critical of reporters and others who said that Argus did not seem to have the interests of the corporation at heart but simply the profits that Argus might make. In desperation, he simply walked away from the company and left it to Victor Rice.

Mr. Rice's position is based on the original Argus voting position. It is a little interesting to me how he has maintained his position as president, and I can only put it down to the fact that nobody else in his or her right mind would have touched the job with a 10-foot pole. Anyway, Mr. Rice has been as successful as anybody might have been.

It is also true that, while the undertakings are not as rigid as we would have hoped, still they have closed some of their international components and centralized more of their jobs in Canada, including Brantford, so that we have new jobs in Brantford that were not part of the corporate enterprise before the difficulties they began to experience in 1980.

**9:20 p.m.**

I do not think it is really reasonable, much as I wish it were possible, to have the ironclad job guarantees that we would wish. As I understand it, there is a guarantee that they will maintain employment at the present level, but goodness only knows what will happen if it falls below that, because the last thing I want to see happen is for the consolidated revenue fund to shell out \$75 million or \$78 million for the fancy shares that are described in section 1 of this bill.

In closing, I simply want to say that I do not like the situation; I wish it were otherwise. But I do not know of an alternative that would be better under the circumstances than the one that is before us at this time.

I certainly advise the members of the House to reject the proposal that the bill not now be read a second time, because this would effectively kill the bill and simply throw the farm machinery industry in Canada into complete chaos. I suggest to the honourable members that the NDP have entered into this amendment without the careful thought that such an important matter requires, and that their position is completely irresponsible.

**Mr. Wildman:** Mr. Speaker, I rise to participate in this debate with some trepidation, frankly.



I have listened to the comments made by the various members during the debate. I find that the member for Brantford (Mr. Gillies) has accused the New Democratic Party of wanting to delay a decision that would help the people of Brantford. Yet his whole speech basically asked us to vote blindly, to accept a deal about which we have been given no details, to have blind faith in the private sector and in this government to make a good deal with the private sector, and said we must support this because, if we do not, the workers in Brantford will be in jeopardy.

**Mr. Gillies:** Exactly.

**Mr. Wildman:** Then the member had the gall to accuse us of naivete and to say that our request for a delay would harm the city of Brantford. I really believe that member and that government are the victims of naivete. They are saying: "Vote blindly. Do not ask for the information; just believe."

The member is asking us to have confidence in a management with a history that I doubt any private company would want to lay out as an example of what private enterprise is really all about. He is asking us to have confidence in the decisions of a company that, as the member for Brant-Oxford-Norfolk (Mr. Nixon) indicated, has used debt financing for expansion; that has increased its debt load to something like US \$1.5 billion; that in 1978 had a gross profit of US \$512 million, expenses (with interest included) of US \$453 million and a profit after expenses of US \$59 million but long-term interest charges of \$79 million and short-term interest charges of \$76 million, for a net loss of \$96 million.

That member and that government say to us: "Let's bail those debtors out. Let's give the company the guarantees they need to guarantee the bank loan. Let's bail that company out. Let's believe in that kind of management. Let's accept the dumping of this problem on us by Conrad Black and Argus Corporation. Let's accept that kind of approach. Let's socialize the cost, but don't ever give us the risk of at some time in the future being able to profit from this kind of deal. Don't ever ask the public sector to share in any profits that might accrue from the rehabilitation and recovery of this company. Don't ever ask for that. Just say, 'Thanks very much for the job.' Don't ask for any public profit on public investment."

That is what that government is asking for. On top of that, besides saying, "Let's not accept any public profit. Let's not ask for any equity. Let's believe in the private management that has

brought us to this state already, that has put the company and the city in jeopardy," then they say: "Please accept a deal we don't want to tell you about. Please accept a deal we have no details about, which we don't want to give you details about, because that might jeopardize the deal. For heaven's sake, don't put any public light on the details of this arrangement, because that might be giving unfair advantage to competitors."

I understand the former member for Brantford worked very hard for his constituents and very hard for the city of Brantford. He also indicated that, if Massey were to be bailed out in any way, this government—or any government involved, for that matter, whether it be the federal government or the British government—should have some equity and indeed should gain in the future when the company becomes profitable.

**Mr. Gillies:** He supported this deal.

**Mr. Wildman:** The present member for Brantford says the former member for Brantford supported this deal. Yet he is unable to tell us what the deal is. Let him tell us what the deal is. All we are asking is that this government somehow gives itself the courage to say: "This is what we are asking you to support. This is what we want the assembly to support."

But no, this government is too scared to do that. This government does not believe enough in democracy to be able to say, "The people deserve to know." This government does not want to give the information to the assembly, because it might in some way make the private investors unhappy. It might, indeed, make the banks unhappy; we all know the difficulties the banks in this country face today.

The government is asking us to have faith in a management that has put its company in the situation of having its long-term debt increase three times as fast as its equity base, in a company that has put itself in a position of having debt more than two times as much as its equity.

**Mr. Gillies:** But you still want to buy it.

**Mr. Wildman:** We want to have some say in the management of that company. We do not want to leave it simply to the private management that has led us to this precipice. Frankly, we believe that private management might lead us over the precipice. Then what happens to the jobs in Brantford? Then what happens to the workers in Brantford? Yet this government cannot bring itself to say that the public sector,



if it is going to invest or even if it is going to guarantee loans, should have some say in how the company operates afterwards.

**9:30 p.m.**

**Mr. Gillies:** Management is doing a good job. Ask anyone.

**Mr. Wildman:** Ask anyone? Perhaps I should ask Conrad Black.

**Mr. Stevenson:** Why do you want to ask Conrad Black? You have just spent the last few minutes denigrating his management.

**Mr. Wildman:** Mr. Speaker, I do not want to give the impression to the assembly that I am disparaging in any way the business expertise and business acumen of Conrad Black. I think he has done a great job for Conrad Black and Argus Corporation. He has done a very good job of dumping this company, when it was in trouble, of milking it prior to dumping it, of ensuring that Argus Corporation profited as much as it could and then saying to the public, "If you want preserve the jobs in Brantford, you had better run to the public sector."

Conrad Black is very successful. He is a tremendous businessman. I do not want to give the assembly the wrong impression. I do not in any way presume to accuse him of not knowing what he was doing. He was very successful.

The member for Brantford suggested that we should not bring the company's five-year plan into a public forum, and yet he is suggesting that we should bring the company's debt into the public sector. Is it not interesting that this company should not have to deal with the public on the basis of saying: "These are our plans. This is what employment is going to be in the next two, three, four or five years. This is what we intend to invest in Ontario and in our other subsidiaries around the world. This is what we intend to do. This is what we see the market to be. These are our plans."

We cannot do that, but what we can do is ensure that the public will guarantee the debt load. The company will be assured that the banks will not have to risk a tremendous loss by carrying this company.

**Mr. Gillies:** Their debt is \$2 billion.

**Mr. Wildman:** We all know this government's view of free enterprise. This government believes in the privatization of profit and the socialization of cost. Basically, what this government believes in is not free enterprise but free-ride enterprise. They blackmail the workers and say; "If you do not go along with this, you are going to be out of work."

I tell the minister, we will not support this unless we see the deal, unless the government has the guts to present it to the Legislature. Put it before us; then we will judge it and decide whether we will support it.

**Mr. G.I. Miller:** Mr. Speaker, it is a privilege to rise and speak on this particular bill, which does affect many workers in my riding of Haldimand-Norfolk.

I am glad to see that we are coming to the rescue of the farm machinery industry, which I think points out the importance of agriculture and the role it plays in the economies of Ontario and Canada. Massey, being an old Canadian company, has played that role over many years, but because of mismanagement, as has been pointed out by many of the speakers, it is in financial trouble. The company is in financial trouble for many other reasons, such as overexpanding in foreign markets and not providing the service that they should in the Ontario and Canadian markets.

I have heard some of the employees say they were more concerned about preparing equipment just to get it on the overseas markets and they forgot about providing parts, which are so necessary to make an agricultural or any machine work. The machinery is only as good as the service provided by a company.

Being a farmer, I have had the opportunity of using Massey-Ferguson equipment for many years, going back to the early 1940s and 1950s, when they were leaders in their field. But the depletion of the sales representatives, the centralization and competing for the overseas market have hurt them tremendously.

The workers indicated that not providing the proper backup parts, which are very important, has hurt them. If they want to be competitive in the field, they are going to have to compete for those markets. The market is out there.

As we pointed out in the election campaign only a few weeks ago, we are an importer of something like \$1.5 billion worth of agricultural machinery. We are exporting with a deficit of approximately \$1 billion. There is only one tractor that is completely Canadian-made, and that is made by Versatile Manufacturing. We have an opportunity here to take advantage of the situation and provide for the building of our own tractor.

If we do make a deal, Massey-Ferguson has the Perkins diesel plant in Britain, and somewhere along the way, if a decision can be made to get it back so we can make the motor here in Canada, it would give us a tractor of our own.



We are capable of doing that. We have the technology and the automotive plants which are idle because we are not getting our fair share. I want to suggest to the minister that we should be striving to be more competitive and get a larger share of the farm machinery market. It is not going to come easily, because we have to compete with the American market, but we can do that.

The NDP might indicate that we have to be unionized to protect our workers, but it came out clearly to me in talking to the workers that they really do not care about wage increases. The most important thing is to have a job; that is the bottom line. We have to provide those jobs. People want to work. They want to have a share in that.

We are going to invest \$78 million, which I think is a step forward in itself, rather than giving grants of \$68 million to the Ford Motor Company, as was done a few years ago.

The late John Rhodes from the good riding of Sault Ste. Marie indicated at that point that the spinoff effect from that investment was going to create \$5 million to \$6 million worth of work in Simcoe providing the Morse chain, but that did not happen. It may happen in the future but, as that is three or four years ago, we have to be careful and make sure our investment provides employment and promotes expertise in developing the talents of our young people. This can be done if this government is able to keep its promises to the people of Ontario.

**Mr. McClellan:** Mr. Speaker, when the Liberal Party speaks about these issues, I am never sure whether it is concerned about the problem at hand, which is the preservation of jobs for Massey-Ferguson workers, or whether it is more concerned about union-bashing. Judging from the last speech, they are quite ambivalent and ambiguous which of those concerns is uppermost in their minds.

I happen to represent the residual piece of Massey-Ferguson here in Toronto, located in the riding of Bellwoods. It occupies a fairly large site in the south end of my riding. There is not much left of Massey-Ferguson in Toronto, as I am sure the members and the Minister of Industry and Tourism (Mr. Grossman) are aware.

It has been allowed to run down pretty thoroughly. There has not been much investment or reinvestment in plant or equipment over the last decade. Most of the work force has been transferred to Brantford, and slowly and inexorably what is left in the Toronto works is running down. What is left in Toronto is pretty pathetic.

About six months before the layoffs I visited the plant, and members of the union and of the work force expected at that time that they had enough orders to last about two years. They were up to about 1,200 in the work force. This was the highest level they had been at for as long as I had been the representative; that is, at least five years.

They were up to 1,200 workers. They thought they had jobs for about two years. They were told by management they still had orders for 24 months. Then all of a sudden they were on indefinite layoff and all the promises and all the optimism that had been laid on them turned out to be totally ephemeral and false, because of—I do not know how to describe it, how would the Minister of Industry and Tourism describe it? The looting?

**9:40 p.m**

Mismanagement does not begin to describe what Argus Corporation and Conrad Black did to the farm implements industry in this province and in this country. Mismanagement does not begin to describe what they did. Perhaps there are other nouns. Looting comes to mind. Asset stripping comes to mind. Perhaps the minister has his own interpretation. Perhaps the minister has his own language to describe what Conrad Black did to that company and Conrad's colleagues. When he finally got into irretrievable trouble, he simply dumped it and walked away and put the workers on indefinite layoff and said: "Well, somebody else"—

**Hon. Mr. Grossman:** Why don't you speak to the bill?

**Mr. McClellan:** That is precisely what we are speaking to.

At the end of the road, after years of mismanagement, the company was dumped on to the hapless Victor Rice, that poor sap. He all of a sudden had this wonderful remnant dumped upon his shoulders. And who is going to pick up the pieces? Well, the Minister of Industry and Tourism and the Conservative gang are going to bail the company out.

What are the terms of the bill, the final payment for the years of mismanagement by Argus and Conrad Black? In a nutshell, and perhaps the minister will correct me if I am wrong, my understanding is that the essence of the agreement is that if the company misses a single dividend payment, Ontario will fork over \$78 million. Is that incorrect? Is my understanding wrong? I think not.

Perhaps the member for Brant-Oxford-Norfolk



(Mr. Nixon), who has expressed an interest over the course of his political career in protecting the integrity of public expenditures—if anything has characterized his career, it has been a passionate concern for wise expenditure of public dollars—even that cheapskate, I suspect, would wilt at the menu that is put before us in this bill. Seventy-eight million bucks if the company goes broke. Seventy-eight million bucks if they miss one single dividend payment—to whom?

**Mr. Rotenberg:** To you.

**Mr. McClellan:** No, not to me. Does the member own some shares? To the hapless recipients of Conrad Black's largess.

**Mr. Piché:** That is all right. He is going to give us Dominion Stores pretty soon.

**Mr. McClellan:** What would the member do with Dominion Stores? He would probably eat his way through it.

**Mr. Piché:** That is below the belt.

**The Deputy Speaker:** Speak to the bill.

**Mr. McClellan:** That is the agreement as I understand it. All we are asking is that the full details be laid before this assembly before the vote is taken.

There is not much to salvage in Toronto in Massey-Ferguson. The private management has allowed that former keystone of Ontario's industrial enterprise to run down almost irretrievably. Fortunately, there are still facilities in Brantford that could be made viable.

But I tell my friend the Minister of Industry and Tourism, there is nothing in the record of the private management that entitles him or anybody else to have a single shred of confidence in the management that they are not going to take him to the cleaners as they have taken everybody else to the cleaners.

So we simply ask the minister, before we vote on this—and never mind all of the nonsense from Brantford about protecting jobs, blah, blah, blah—

**Hon. Mr. Grossman:** Don't give me that nonsense.

**Mr. McClellan:** It is nonsense coming from the minister's lips. We have nothing to assure us that the jobs are secure. The only thing that is guaranteed in this piece of paper is—

**Hon. Mr. Grossman:** Is the re-election of the member for Brantford. The longer you go on, the more votes he gets.

**Mr. McClellan:** Not in Bellwoods, my dear friend. Did the minister happen to notice the

results in Bellwoods in the last election? He would have lost his deposit if he had to make one. I notice he closed out the community centre. Did he forfeit the rent? The rent cheque must have bounced last month; they had to close the PC community centre.

It is not a question of the kind of soybean concern that the member for Brant-Oxford-Norfolk expects, and it is not a question of the kind of political rhetoric about job protection, because those are not the issues at all. There is no guarantee in this piece of paper that a single job will be protected, not a single guarantee. Unless the minister can produce an agreement that shows us those jobs will be protected through some kind of guarantee, he is just talking through the top of his head.

All he is telling us in this piece of paper is that, if the company enters into the final paroxysm of death, he will pick up what is left of the debt. That is really great. If he is going to make an investment in Massey-Ferguson, what we are telling him is if he is going to make a serious commitment to preserve the farm implement industry in this province, if he is going to make a serious commitment to keep those jobs going, then he has a responsibility to make sure that he has a participatory share in the management of that operation.

There is nothing in the record of the existing management that justifies a single shred of confidence. They have ripped off the minister, they have ripped off the people, they have ripped the workers off for the last 10 years and the government is just falling again, like the suckers they are, into the trap.

**Mr. Laughren:** Mr. Speaker, many years ago I was a student, and I recall several of my economics professors, who all just by happenstance were free enterprise economists, who always justified the free enterprise system, or capitalism, and the profits that are necessary if capitalism is to survive. They always justified profits by the element of risk that was involved in the investment: the higher the risk, the higher the justifiable profit, according to the free enterprise economists.

I look around me now, I look across the floor now at all these free enterprisers who believe in profits. They believe fully that one needs to have profits if one is going to have investments, and they believe that the free enterprise system will determine what comes first out there in the marketplace. That is the basis of their belief, as I understand it.

Then I see the Minister of Industry and

Tourism undermining this philosophy which those people hold very dearly, particularly the back-benchers, who all really believe in this system. There is the Minister of Industry and Tourism at every turn, whether it is Ford, Massey, Chrysler, the pulp and paper industry or anybody else.

**9:50 p.m.**

Someday there is going to be a revolt by the chambers of commerce in this province against the socialism of the Minister of Industry and Tourism. They will not tolerate a red Tory in that portfolio any longer. One day the member for Cochrane North (Mr. Piché) will sit there, and free enterprise will rise again in Ontario. We all know that.

**Mr. Piché:** Where do I send my application?

**Mr. Laughren:** The honourable member can send it to me. I will be happy to endorse it.

My colleague the member for Bellwoods (Mr. McClellan) touched only very briefly on the role of Argus. When I look at the role of Argus in this whole thing I can see that it happened long before Conrad Black was ever on the scene. We can go back and measure the dates precisely when Argus bought into Massey. That is when the dividend stripping, as my colleague calls it—the sucking off of dividends—began. Instead of putting money into acquisition and reinvestment, Argus took it as dividends to carry on its unholy diversification program. That is when it started.

What did Massey do instead of using retained earnings? They borrowed, and therein lay the seeds of the destruction of Massey-Ferguson. Their debt ratio climbed and climbed. I challenge the government to measure the debt ratio of Massey from the day Argus got controlling interest. They will see that the whole process of disintegration began when Argus bought control of Massey-Ferguson.

I cannot recall the last time Argus expressed concern for the problems of Ontario; they are concerned only for the shareholders of Argus. Yet here we are paying for the results of their actions once again.

I ask the minister when he responds next week to tell us what his view is of the role of Argus and how we got to this position. How did we get to the situation where tonight we are debating a bill to guarantee \$78 million of public money? I think the Conservatives on that side will want to know that.

To what extent is the government going to continue to do this? At some point they have to

make up their minds what their responsibility as a government is in the economy of Ontario. They cannot go about bashing those of us who want intervention and then selectively intervening every time the free enterprisers get into trouble.

I know how the government does it. They do it by saying, "We need to protect the jobs." The last refuge of the scoundrel has become the protection of jobs. Everybody knows we need jobs in Ontario, but for the Tories to hide behind that on every single issue is unscrupulous.

I look at the alternatives. We are potentially pouring \$78 million into Massey-Ferguson. We have put money into the pulp and paper industry and the auto industry. Yet they sit on their collective hands and do not take the obvious action of building key sectors in the economy—and I use one example: the mining machinery sector.

**Hon. Mr. Grossman:** Get to the principle of the bill.

**Mr. Laughren:** Never mind; this is the principle of the bill. The Minister of Industry and Tourism would like it very much if we did not bring into this debate the mismanagement of this economy by him and other ministers of the crown. He would be very satisfied if we talked only about the \$78 million and the lack of alternatives he has given us. It is not quite that simple.

The Minister of Industry and Tourism made a very revealing comment the last time we were talking about this bill. He said, "I cannot get all the details and then pass the bill, because the international bankers would not have it that way." That leads me to one conclusion: if the minister says to the international bankers, "Don't you worry, we have a majority government; we will get this bill through," which he could say, the international bankers would say, "Mr. Grossman, go back to your sandbox; we don't believe what you are telling us." That is what he is saying.

Let the minister stand in his place and tell us this: Does he or does he not know the details of Massey's five-year plan? If he does know it and is not prepared to share it with us, then it is incredible that he would do that to the Legislature of Ontario. It shows an incredible arrogance in his role as minister. If he does not know it, it is even more incredible. He is in a negative-sum game.

Either way, it makes no sense for us as an opposition party—and I suspect for the Liberals



as an opposition party if the former leader were not from Brantford—to be standing up and supporting them on this bill. I have heard of buying a pig in a poke, but they are buying a white elephant in a poke. The chances of winning in this are zilch. We can only lose.

The Minister of Industry and Tourism will always fall back on the fact that the reality of March 19 is that the government now has the majority and whatever it wants to do is just fine and, because we lost seats, we are wrong in the arguments we make. That is what the minister is saying. I know the Premier has had second thoughts about his arrogance in this chamber; and perhaps his second thoughts will rub off on the Minister of Industry and Tourism.

Mr. Speaker—

**The Deputy Speaker:** Yes?

**Mr. Laughren:**—if we on this side were the government at this time and we had decided we were going to bring forth such a bill, can you imagine what the Conservative caucus over there would be saying to us? Can you imagine what the former leader of the Liberal Party of Ontario would be saying to us if this were our bill?

**The Deputy Speaker:** Socialism.

**Mr. Laughren:** What we would do is build an agricultural machinery industry in this province that we could be proud of, not only in Ontario but also all across this country. It is strictly an academic argument, because if New Democrats were the government in Ontario we would be rebuilding the economy in such a way that we would not be bailing out those people year after year after year.

It is just a succession of people with their hands out at the door of the Ministry of Industry and Tourism. It finally got so embarrassing that they had to create a special fund called the employment development fund just to hand out the money. As my colleague the member for Sudbury East says, “When they could not give away the resources any more, they had to start giving away real money.”

**The Deputy Speaker:** I must confess, Mr. Laughren, it would be nice just to convey our thoughts about this particular bill.

**Mr. Laughren:** In that case, I have concluded my remarks.

**Mr. Mackenzie:** Mr. Speaker, I also do not intend to be very long on this bill.

[Applause.]

**Mr. Mackenzie:** The desk thumping of the

trained seals across the way is the least impediment to what I am going to say; let me say that very clearly. I have been moved to enter the debate by the colossal arrogance I have heard from members of both old parties over what we are doing in terms of the support we might get from the workers in Brantford by asking for an eight-week hoist in this particular bill.

Interjection.

**The Deputy Speaker:** Mr. Mackenzie has the floor, please.

**Mr. Mackenzie:** Fine and dandy. Unlike them, I do not think the workers in Brantford are stupid. Let me tell them something else. The workers in Brantford—

**Mr. Gillies:** You don't care about the workers in Brantford.

10 p.m.

**Mr. Mackenzie:** I have the floor. Let me tell the members opposite something. The workers in Brantford would not sign a new contract with Massey-Ferguson without knowing what was in that contract. They would tell the company to go to hell in so many terms.

What the government is asking us to do here is to buy a pig in a poke. I do not trust the Minister of Industry and Tourism as far as I can kick him, very frankly. There is absolutely no agreement before us, there is absolutely no five-year plan that the minister talked about before us.

We do not know what kind of guarantees there are for the jobs. We all hope—and I do, as well—that there are some guarantees in there, but we do not know. There is nothing wrong with asking for a delay in this bill until we get that agreement presented to us; the workers will understand that very well in Brantford, as well, because they are not stupid.

**Mr. Gillies:** The workers understood very well when they elected me.

**Mr. Mackenzie:** I hope the honourable member is right, but I have a hunch they are going to be sorry very quickly in Brantford.

Let me give one little example. It was only last fall that this same minister, who does not believe in interfering in the private sector, was saying that a \$150-million package would probably buy the kind of an agreement we are talking about. We have before us today, as I understand it, a total package worth \$212 million. So he is only out \$62 million since last fall in what he wants.

The minister is asking us to buy, without seeing the agreement, the guarantees for the

workers' jobs in Brantford. I do not buy that at all, and I do not think the Brantford workers will. Yes, this party will move as quickly as anybody even though we do not like the government's philosophy. If we have to use some of the public funds to prop up a company where there are that many jobs involved, we are willing to do it; but we are not willing to do it blindfolded, and that is exactly what the government is asking us to do in this House.

**Mr. Martel:** Mr. Speaker, I want to offer a few gems of wisdom.

**The Deputy Speaker:** It will be a few, I take it.

**Mr. Martel:** There will be a few. It might take a little while to get them out, but we will try to accommodate you, Mr. Speaker.

**Mr. Shymko:** Where is Jim?

Interjections.

**The Deputy Speaker:** Mr. Martel has the floor.

**Mr. Martel:** If the honourable member is talking about Jim, he wants to nationalize Inco. He believes in crown corporations. He does not say it here; he says it in Sudbury.

**Hon. Mr. Grossman:** The bill. The bill, Elie.

**Mr. Martel:** I will get around to the minister in a minute.

**The Deputy Speaker:** Let's not be provocative on both sides. Mr. Martel.

**Mr. Martel:** I am not being provocative. I am just—

**The Deputy Speaker:** I know you are not. I am advising my colleagues on the right.

**Mr. Martel:** Thank you, Mr. Speaker. I appreciate your assistance.

It is interesting. I listened to the member for Brant-Oxford-Norfolk (Mr. Nixon) and other sundry places, who talked about what our motion was going to do.

When the minister introduces a bill, there is a rule in this Legislature, rule 32(c), and it says, "On the introduction of a government bill, a compendium of background information shall be delivered to the opposition . . ." The Minister of Industry and Tourism's compendium was his press release.

When I complained to the government House leader that we needed a little more than that to make a determination on what we should do with respect to this bill, they sent Red Wilson over. He brought a document of 150 pages, which we were supposed to go through in 20

minutes flat to be able to make an assessment. He could not leave it with us; I guess it is confidential, but I do not know.

What my colleagues have been simply attempting to say is that we are prepared to support this bill, as we were when there were massive layoffs at Inco. We understand the effects of massive layoffs; not only the new boy from Brantford but also those of us on this side of the House who come from mining communities, or my colleague from Windsor, we understand the ramifications of a layoff.

If one listened to the minister respond last week to a question raised by my leader, he said, "We are not in the business of determining what companies do." That being the case, what is he doing tonight? Larry told us that this government is not in that business of making determinations on what companies are going to do. He cannot have it both ways.

I want to know what companies are doing. That is why those of us who sat on the select committees from this party said there must be justification for companies' actions. Larry says you are not supposed to interfere.

**The Deputy Speaker:** Mr. Martel—

**Mr. Martel:** Mr. Speaker, I am speaking right on the bill.

**The Deputy Speaker:** I know you are, but I would just like to bring a small point to your attention. Following the Speaker's ruling, he has been referring to members by their surnames, and I think I will have to follow suit on that.

**Mr. Martel:** Mr. Speaker, I know it is a change in rules. Up until recently we did not designate them like that; we went by the riding. I am prepared to do that for the honourable minister.

We are adamant. We want to look at the money as we did with respect to the giveaway to the pulp and paper industry when the presidents said they did not need it and the study at the university said they did not need it. What does one get? One gets stonewalled by the minister.

I find it passing strange that every time we attempt to find out what is behind it, what the terms are and why they need money, we get stonewalled. Maybe some of the fellows in the back row who are new boys are prepared to accept everything the minister says. But I am from Missouri. I have been around here a little while.

I learned a long time ago in this Legislature to question what the minister says. Those fellows will not. He will throw them another fish and



they will be happy, but I am not prepared to accept what the minister proposes in such a cavalier fashion.

I find it strange that the minister is not prepared to indicate to us very clearly what the agreements are about and what they entail. Why should we accept a \$78-million risk without knowing what is in it?

**Hon. Mr. Grossman:** Your critic knows; ask him.

**Mr. Martel:** I asked my critic and my critic, who asked the minister, says he does not know.

**Hon. Mr. Grossman:** God knows we tried.

**Mr. Martel:** If the minister tried to tell him the way he tried to explain away the giveaway of employment development fund grants to the pulp and paper industry when the companies said they did not need them, then maybe the minister's explanation was wanting.

We are not being difficult. We are simply saying to the minister that, when he responds, maybe he will tell us clearly what the responsibilities are for Ontario, what the responsibilities to the workers are—all the things that would make it possible for us to support the bill.

As my colleague who opened the debate said, it is our intention to know what we are voting for and to know the types of guarantees, because we have not always had those guarantees. Was it not Ford for which we thought we had guarantees and we did not?

**Mr. Cooke:** Exactly. And the minister negotiated those.

**Mr. Martel:** Right. And the minister told us about those too, if he will recall. He gave us great assurances. He stood in his place and maligned the opposition. But it did not turn out quite the way he had anticipated.

**Hon. Mr. Grossman:** The opening of the plant is in two weeks' time, I think.

**Mr. Martel:** Yes. And what about the loss of jobs, the total loss of jobs? They tell me there are 25,000 people unemployed in Windsor. Is that right?

**Hon. Mr. Grossman:** Well, whatever—

**The Deputy Speaker:** Mr. Minister, you are being awfully provocative.

**Hon. Mr. Grossman:** Are you kidding?

**The Deputy Speaker:** No.

**Mr. Martel:** It is intriguing that the minister

would want us to bail out the free enterprise system once more. We are getting used to that, are we not?

**Mr. Nixon:** It's not what Lenin would have done.

**The Deputy Speaker:** Lenin would be speaking to the motion, I am sure.

**Mr. Martel:** He is speaking next. He is a red Tory.

It is interesting that when my friend the member for Brant-Oxford-Norfolk rose to speak he said we were going to kill the bill if this were carried; it would never see the light of day.

**Mr. Nixon:** That's right.

**Mr. Martel:** He might want it both ways. Then he said, "I am not really happy with the bill. I am supporting it but—" and he wants it both ways as well.

**Mr. Nixon:** So does everybody else.

10:10 p.m.

**Mr. Martel:** Why does he not ask for an explanation of what the agreements are all about? But, no way; he does not do that.

**Mr. Nixon:** If they get the money, they stay open.

**Mr. Martel:** For how long?

Interjections.

**Mr. Martel:** Just tell us what is in the agreement.

**The Deputy Speaker:** I would like to remind members that we are not carrying on a casual debate with questions and answers. Mr. Martel, speak to the motion, please.

**Mr. Martel:** Mr. Speaker, it could well pass if he would tell us the terms of the agreement clearly. We will sit and not raise a voice as the minister tells us what is in the agreement.

**Hon. Mr. Grossman:** You prefer to close it.

**Mr. Martel:** Is the minister telling me that if he tells us the terms of the agreement that will close them?

**Hon. Mr. Grossman:** I am saying—

**The Deputy Speaker:** Mr. Minister, come on. Mr. Martel has the floor.

**Mr. Martel:** No, no. Is the minister telling me that if—

**Mr. Nixon:** Elie, cast your pearls.

**Mr. Martel:** I am trying to get something out of the minister.

**The Deputy Speaker:** You promised a few gems for us, Mr. Martel. Now continue, please.

**Mr. Martel:** The minister is saying to us—and I go back to what he just interjected—that if he gives us the terms of the agreement, that will kill it.

**Hon. Mr. Grossman:** I did not say that. I said if you hoist it—

**The Deputy Speaker:** Mr. Grossman!

**Mr. Martel:** Mr. Speaker, I said I was prepared to listen carefully to the minister, and we could get the bill done tonight if he were prepared to tell us all the details of the agreement. Now, is the minister prepared to tell us that?

**Mr. Nixon:** He speaks next.

**Mr. Martel:** I will be here. But maybe the minister could give me an assurance and I can take my place.

Interjections.

**Mr. Martel:** As it looks, we take the risks; we would like to know what is at stake for those risks. I ask the minister to explain that clearly. I might say that I indicated to the government House leader a week ago that, if we could get the terms and know what is in the bill, we would be prepared to support it. But we want to know the terms first. I will give him his opportunity. I hope he will be clear on it.

**The Deputy Speaker:** Thank you, Mr. Martel. The honourable minister will be speaking to the top of your head.

**Hon. Mr. Grossman:** To what? Well, he spoke from the seat of his pants.

Mr. Speaker, I listened carefully to the remarks of most of the speakers over the last couple of hours. Unfortunately, the members sometimes tend to drift away from reality. Reality in this case is not as pleasant as many of us would like it to be. Certainly that is the case for Mac Makarchuk this evening.

What we have to keep in mind here is that this is perhaps the most complex arrangement, perhaps the most complex deal that this government—perhaps any government in Canada—will ever be entering into. It is not a deal that we can blithely and unilaterally dictate terms for, and I do not pretend that anything else is the case.

The fact is that this is a very complex arrangement involving not only Massey-Ferguson and its shareholders but also literally several hundred other parties. As the member for Brant-Oxford-Norfolk has pointed out, some of those partners, some of those banks, became more nervous at certain times than others did.

But the fact is that all of the banks—some more carefully and some with less haste than others—ultimately agreed to participate in the refinancing arrangement.

To make a deal with more than 250 participants is not an easy matter. This government, in the position of guaranteeing or underwriting an issue of \$75 million out of a \$720-million refinancing, is hardly in a position to dictate a great number of those terms unilaterally.

Having said that, we had a great deal of success working with the federal government in getting the kind of undertakings we could get in these circumstances. Those undertakings have been made public to the media, and they have been given in even more detail to the critics for both opposition parties.

The only reason this matter is being debated in this assembly this evening is that every other government involved, almost by accident, has the capacity to enter into this kind of arrangement. In the Ford situation, this government happened to have the capacity to enter into that arrangement. In the Chrysler situation, we happened to have the capacity and the authority to enter into that arrangement.

**Mr. Nixon:** Just lucky, I guess.

**Hon. Mr. Grossman:** It got all of you off the hook of having to vote on it.

In fact, it is only because we did not happen to have the legislative authority to complete the negotiations—and I emphasize that—and to work out the fine details, that this bill is before the House.

**Mr. Laughren:** They did not trust you, did they?

**Hon. Mr. Grossman:** The various parties to the transaction obviously required that the government of Ontario be in a position to fulfil the undertaking we must give to complete a 250-party agreement, which in essence it will work out to be.

**Mr. Laughren:** Despite your majority.

**The Deputy Speaker:** Mr. Laughren, please allow the minister to conclude.

**Hon. Mr. Grossman:** This government, though it is not the major player in the transaction, was quite cautious and careful in this instance. It is entitled, I think, to take some credit for having worked with Victor Rice and the other people working on behalf of the company to keep this company in business and operating with the backing of the federal and provincial governments over a long period of time.

Members of this House will recall standing



here in the last parliament last October in the belief that this company could not survive another week or two. October 31 was said to be the final date for that company to stay in business. But, because of this government's persistence, because of the persistence of Victor Rice, and because of the concurrence and assistance of the federal government, we were all able to work internationally to keep all the players on side, to get the bank to continue to extend credit to ensure that any of the various numbers of creditors, and there were many of them, did not get so nervous that they pulled the plug and caused a domino effect that would have brought down the company.

It was very delicate at many stages, but because we stayed in the ball game, because we worked with everyone and lent credibility to the very complex undertaking that Mr. Rice was taking on, the fact is that we were able to be here today with a company still alive and viable.

It is a very complex arrangement. By its very nature, it contains a great number of details that simply cannot be made public. It is not at all a matter of my unwillingness to make them public. I am unable to make them public by virtue of the conditions under which we were given those documents. It is that simple. When the details are all sorted out, when we have the capacity to sign the final deal, when the contracts are finally signed, which will be the middle of June, then those documents will be available to everyone.

I have to say that if eight weeks were to pass, as the NDP would have it, then quite simply the agreed-upon deadline of mid-June for executing these contracts would pass, one of the key players to this arrangement would be unable to fulfil its undertakings and the company might well fail. That is the risk the NDP wants us to undertake. That is what it says it wants to have unless it can have some agreed-upon confidential information.

It is not a light burden for this government or for this minister to bear in working out these arrangements, but I must say, whether we are talking about the Chrysler situation or any other situation—

**Mr. Laughren:** On a point of order, Mr. Speaker: The minister just said that if this bill did not go through now, if it were hoisted as our motion would do, a deadline of mid-June would go past which would make something invalid—I presume the agreement. At what point did the minister talk about this mid-June deadline to the critics of the opposition parties?

10:20 p.m.

**The Deputy Speaker:** Mr. Laughren, I have been lenient. I am having difficulty finding that a point of order. Mr. Minister.

**Hon. Mr. Grossman:** The honourable member should drop into the question period. He might enjoy doing that Thursday or Friday. Or perhaps he should even stay around—

**The Deputy Speaker:** Mr. Minister, will you please continue?

**Hon. Mr. Grossman:** He should stay around for the committee. He will find that is when the Speaker leaves the chair—

**Mr. Martel:** You said when I was on my feet that my colleague knew the details.

**The Deputy Speaker:** The minister has the floor, please, Mr. Martel.

**Hon. Mr. Grossman:** Mr. Speaker, in essence, this government and this ministry have been charged with a very difficult and onerous responsibility; it is to negotiate a very complex arrangement. The part we played gives me a great deal of pride because we were able to participate as a key player in a very complex arrangement.

It is not the kind of arrangement that allows us to provide all of the details, all of the confidential information, to the public at large. It simply is not possible. It is something I wish I were able to do, but one cannot conduct negotiations that way. One of the key parties simply cannot call down confidential papers and turn them over. In essence it is our responsibility to conduct those negotiations. It is our responsibility to make the best deal we can, and ultimately we will be judged on the integrity of that deal and how well we did in that deal.

We are all bound up very much, I am afraid, in market conditions and the management of the company. After having gone through many months of intense scrutiny of the financial affairs and the management of that company, we are satisfied the arrangement entered into serves the taxpayers well and gives the company its best chance at getting through.

I find it a little extreme for the NDP to suggest that they do not have enough information to deal with this bill when last year their then member for Brantford obviously had enough information to rise in this House on several occasions and demand that we buy the company. He reported to this House that after meeting with Massey-Ferguson he had concluded that we ought to be buying this company. He obviously had enough information to decide the people of Ontario should buy this company, and



during the election campaign he was certainly most vociferous in saying this was something that should be supported.

I would be remiss if I did not acknowledge before I sat down the key role played in reaching this point of the negotiations by the farm community in this province. The farmers stood by the equipment they had purchased; they are continuing to buy more of that equipment and continuing to show faith and I think a bit of dedication to a great Canadian company as well as a willingness to stand by Canadian equipment. That bodes well for the future.

Second, three days before he leaves this government, I want to pay special tribute to my deputy, Red Wilson, who spearheaded the government negotiations in this very difficult matter. This propitious deal we have worked out, given the circumstances, simply could not have been worked out without his day-to-day dedication to this task. I believe very few civil servants could have pulled off this kind of arrangement as successfully as he has. I am sure all members of the House will join me in applauding his efforts just before he leaves this government.

**Mr. Martel:** Mr. Speaker, I want to raise a point of privilege by quoting from the rules; the particular rule is 19(d), part 8. A few moments ago, when I was speaking, the minister indicated that my colleague was given all the details. He has now stood in his place and indicated he could not supply the details because they were part of an agreement which was confidential.

He cannot have it both ways. Either he withdraws his statement that my colleague was given the information under section 9 or he tells us that my colleague has not received the information he says he was given. Either he gave him the information or he did not.

**The Deputy Speaker:** Mr. Martel, I find your point of privilege is out of order and we will continue with the motion.

**Mr. Martel:** Mr. Speaker, I would like to know why my point of privilege is out of order. If you look in rule—

**The Deputy Speaker:** Mr. Martel, I find your point of privilege out of order. My interpretation of section 19 is that a Speaker has judgement. There are no specific allegations about the member against whom you are claiming there were allegations. As far as my interpretation—

**Mr. Martel:** Well, he makes allegations—

**The Deputy Speaker:** Order, please, Mr. Martel.

**Mr. Cooke:** On a point of privilege, Mr. Speaker: The minister clearly indicated tonight that I was a liar by saying that I—

**The Deputy Speaker:** Order, please. Mr. Cooke, I was present for the whole two and quarter hours of a fine debate this evening, and the minister did not indicate that you were a liar in any way under section 19 of the standing orders.

10:45 p.m.

The House divided on the question, "Shall the bill be now read a second time," which was agreed to on the following vote:

#### Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Birch, Boudria, Brandt, Breithaupt, Copps, Cousens, Cunningham, Cureatz, Dean, Drea, Eakins, Eaton, Edighoffer, Elston, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Haggerty, Harris, Havrot, Henderson, Hennessy, Hodgson;

Johnson, J. M., Kells, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, Mancini, McCaffrey, McCague, McGuigan, McKessock, McLean, McMurtry, McNeil, Miller, G. I., Mitchell, Newman, Nixon, Norton, Piché, Pollock, Pope, Ramsay, Reed, J. A., Riddell, Robinson, Rotenberg, Runciman, Ruston;

Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Van Horne, Villeneuve, Walker, Watson, Welch, Wells, Wiseman, Worton, Wrye, Yakabuski.

#### Nays

Bryden, Charlton, Cooke, Di Santo, Foulds, Grande, Johnston, R. F., Laughren, Mackenzie, Martel, McClellan, Philip, Samis, Sargent, Stokes, Swart, Wildman.

Ayes 84; nays 17.

Ordered for committee of the whole House.

**Mr. Cooke:** Mr. Speaker, before we adjourn, can I clarify the record?

Interjections.

**Mr. Cooke:** I think it is a legitimate point, Mr. Speaker.

**Hon. Mr. Norton:** Is it a point of personal privilege or a point of order?

**Mr. Speaker:** That is what we are going to hear. Order, please.

**Mr. Cooke:** Mr. Speaker, during the debate and in the Minister of Industry and Tourism's windup the minister indicated there was a June 15 deadline by which this agreement had to come to a conclusion and therefore our motion



to hoist the bill would destroy the agreement. In speaking with the minister individually while the bells were ringing, the minister indicated to me that was not a deadline at all; it was simply a goal. I think the minister should stand up and clear the record as well.

**Hon. Mr. Grossman:** Mr. Speaker, in fairness to my colleague, I do want to say that I had

presumed that he and other members of his party were aware of the deadlines that had been agreed to as they were published in most newspapers, and therefore it was not part of the discussions he had with our ministry. There was no secret about those; everyone was aware of those.

The House adjourned at 10:52 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 30

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Thursday, May 28, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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# LEGISLATURE OF ONTARIO

Thursday, May 28, 1981

The House met at 2 p.m.

Prayers.

**Mr. Speaker:** Just before beginning the business of the House this afternoon I would like to remind all honourable members and other interested persons of the unveiling of the portrait of the former Speaker, Jack Stokes, of the New Democratic Party, which will take place outside this chamber when the House rises at six o'clock this evening. [See appendix, page 1080.]

## STATEMENTS BY THE MINISTRY

### INSTALLATION OF VANCOUVER LRT

**Hon. Mr. Davis:** Mr. Speaker, I know the Leader of the Opposition (Mr. Smith) would not want me to miss this opportunity to make this statement.

I want to inform the honourable members that my colleague the Minister of Transportation and Communications (Mr. Snow) and I will be in Vancouver tomorrow morning to take part in the official signing of a contract to provide an advanced light rapid transit service for the people of greater Vancouver.

I also regret that the honourable member for Wentworth North (Mr. Cunningham) is not here to listen to this. I know how supportive he is.

The contract for the Vancouver project will be between the Urban Transportation Authority, a crown corporation of the government of British Columbia, and Metro Canada Limited, a wholly owned subsidiary of the Urban Transportation Development Corporation Limited, which was created, funded and is owned by the government of Ontario.

The signing of this contract will represent a significant advance for UTDC's technology in a field of endeavour close to my heart, public transit. This is a modern-day Canadian product developed by Canadians not only for Canadians but for all countries around the world that are looking for innovative ways to develop rapid transit to meet the needs of people in urban centres. It is the most advanced, the most economical and the quietest rapid transit service available anywhere in the world.

**Mr. Cassidy:** Now that you have dealt with Vancouver, how about dealing with Armstrong?

**Hon. Mr. Davis:** It will not work in Armstrong, I must say with regret.

The government of Ontario has invested \$60 million to develop this first-rate transit service, which has been tested and proved reliable at UTDC's transit development centre near Kingston.

Interjections.

**Hon. Mr. Davis:** Listen, I know how enthusiastic the honourable members are across the House.

Signing of the first contract for revenue service represents a vote of confidence in Canadian urban transit capability by one of our nation's greatest cities. It also justifies the faith of the government of Ontario in the ability of our people and industries to be imaginative and competitive in the world marketplace.

UTDC's contract with the government of British Columbia's authority will make provision for a related agreement providing substantial industrial benefits to both British Columbia and Ontario. Our two provinces will be in a position in the future to develop jointly the export market for this advanced technology. This transit project and the related industrial benefits package should, in my opinion, represent a model for future industrial co-operation among all provinces.

I know I speak for all members of the House when I express the pride we feel in this accomplishment and how we look forward to the official opening of the Vancouver advanced light rapid transit service when construction is complete in late 1985 or early 1986. I intend as Premier of the province to be there at that official opening, whatever the date may be.

Canadians, when we work together, can advance beyond international competition and sustain a level of excellence for all the world. We in Ontario are pleased to join with Canadians in British Columbia in this great national project. I know the Leader of the Opposition in particular would like me to extend on his behalf his congratulations and those of his party to Mr. Ramsay, Mr. Foley and all of those associated with UTDC for this very significant development in the industrial life of Canada.

**Mr. Smith:** Mr. Speaker, as the Premier says, he knows I would want to join with him in



extending certain congratulations. I simply want to add to the list the Canadian government, whose generous support to BC to buy this particular project has made the deal possible.

### POWER CORPORATION AMENDMENT ACT

**Hon. Mr. Welch:** Mr. Speaker, later this afternoon I will introduce an act to amend the Power Corporation Act. The proposed amendments will expand the authority of Ontario Hydro to allow two of the major programs outlined in the recent Board of Industrial Leadership and Development program to proceed.

The first aspect of this bill authorizes Ontario Hydro to undertake a residential energy advisory program. As the Premier (Mr. Davis) announced in March, this energy conservation program will encourage greater efficiency, conservation and safety in the use of electric power in homes. Ontario Hydro will offer advice and inspection services to home owners as well as loans of up to \$2,000 at attractive interest rates to help install equipment and material in accordance with this program. Municipal utilities will be authorized to carry out a similar program in urban areas and to serve as agents of Ontario Hydro when offering the loans.

**2:10 p.m.**

The second aspect of this bill gives Ontario Hydro the authority to produce, sell, supply, as well as deliver heat energy such as steam and/or hot water as a primary product of that corporation. As many members know, this is especially important to the development of the Bruce Energy Centre, which is adjacent to the Bruce nuclear power development. This amendment will permit Ontario Hydro to sell steam or hot water to the Ontario Energy Corporation as part of a scheme to develop industries and greenhouses and fish farms at the Bruce Energy Centre.

The government attaches a high priority to these two very vital and important elements in achieving our goal of greater energy security for Ontario.

### HIGHWAY SAFETY RECOMMENDATIONS

**Hon. Mr. Snow:** Mr. Speaker, I would like to advise you and the members of the Legislature today that on Monday, June 1, 1981, my ministry will implement two more recommendations of the select committee on highway safety: a probationary driver's status for new drivers, and

a redefining of the demerit point system, a system which will relate any point infractions to the date of the offence instead of the date of conviction for all drivers.

Starting with the probationary status, I would like to explain why it is being implemented and what it will mean to new drivers. The why is relatively simple. As the select committee noted, too many of our new drivers appear to be demonstrating a lack of respect for the traffic laws of this province, resulting in a disproportionately high rate of collisions and convictions.

We believe the probationary status with the automatic suspension of one's licence at six demerit points within either the first or second year of his probationary period will have a definite and positive impact on all new drivers, especially those who are potentially careless. Probationary status will apply to every new driver, regardless of age, including anyone who has not held an Ontario driver's licence within the previous three years. It will also automatically exclude new drivers from holding either a school bus driver's licence—a class B or class E licence—or a driving instructor's licence.

There will be exceptions to the probationary status, of course, for any drivers who can show they have held for a period of two years in the previous three, a valid driver's licence from another province or territory in Canada or a state of the United States of America, a Canadian Forces Europe operator's licence, or a combination of any of these.

The licence of a probationary driver will have no distinguishing marks. It will be exactly the same as the present driver's licence. However, under this program, new drivers will have to complete two one-year driving periods free of suspension for traffic violations before the probationary status will be removed. Suspensions will come sooner for careless new drivers than under the present system, since they will have their licence suspended for 30 days upon the accumulation of six points, not 15 demerit points, which will still apply for nonprobationary drivers.

To refresh members' memories on demerit points I would like to point out that a conviction for careless driving or racing results in six demerit points on a driver's record, as does a conviction for exceeding the speed limit by 50 or more kilometres per hour. Exceeding the speed limit by 16 to 29 kilometres per hour results in three demerit points, so that two such speeding convictions within a year will bring the probationary driver to the six-point mark and will result in automatic suspension of licence.

Unless probationary drivers accumulate these six points in one fell swoop, they will be advised by letter at the time they accumulate their first points that an automatic suspension will follow upon reaching six points. When probationary drivers have their licences suspended, their demerit points will be reduced to zero but they will retain the probationary status until they have completed the necessary two one-year periods free of suspension.

I would like to outline briefly the changes to the demerit point system which will affect all drivers. Under the new regulation, demerit points will still remain effective for two years, but will be assessed back to the date of the offence instead of the present date of conviction. I should point out that this will be done only after the conviction occurs.

This will eliminate a present loophole whereby high-point drivers can delay their trials until previously registered demerit points are removed from their records, thus avoiding a 15-point suspension. This regulation has a protection clause to ensure that no drivers will be suspended under the new date-of-offence rule whose cases are pending before the courts. Such convictions will not be backdated, resulting in unexpected suspensions.

As I mentioned earlier, I am confident these measures will help to make all drivers more responsive to the traffic laws of this province, and at the same time make our highways and streets safer for all of us.

#### MOTOR VEHICLE ACCIDENT VICTIMS

**Hon. Mr. Snow:** Mr. Speaker, I have a further statement I would like to make today. I would like to bring to the attention of the honourable members of this House a study undertaken by my ministry and the Ministry of Health which illustrates only too well the cost of motor vehicle accidents, to the victims, those immediately involved and society in general. The study report is entitled *Injury: An Ontario Survey of the Societal and Personal Costs of Hospitalized Motor Vehicle Victims*.

I will table three copies of this report with the Clerk at this time. Copies of the general summary have been made available via the legislative post office to all members.

The study grew out of another joint MTC-Health effort undertaken in 1978 which examined the cost of active in-hospital treatment for vehicle accident victims. It focused on victims of vehicle accidents that occurred in 1975 and 1976, spanning the period before and after the

introduction of mandatory seatbelt use and lowered speed limits on some provincial highways. It concluded that the cost of active treatment for belted victims was considerably lower than for unbelted victims. It also documented a marked decrease in overall health care costs for vehicle accident victims, a decrease of almost 11 per cent.

The report I am tabling today examines the long-term costs involved in these accidents, not just health care costs, but some monetary and nonmonetary costs resulting from the same accidents. In addition to sizeable health care expenses, financial costs include vehicle damage, legal services, wage loss and so on. Non-monetary costs such as days lost from work, educational programs and housekeeping, emotional stress or physical after effects are also considered.

I believe it is the first study of its kind in Canada dealing with the broader spectrum of such costs. It will, no doubt, provide some food for thought for transportation administrators, safety officials and, I hope, drivers throughout this province.

Although the study indicates the precise cost of accidents to society is difficult to calculate, it does conclude that based on the sample of 524 respondents, the annual cost of hospitalized motor vehicle accident injuries was more than \$159 million. If inflation were taken into account, the estimated annual total in 1980 dollars would be in the neighbourhood of \$231 million.

I would remind members that this is based only on victims who were treated in a hospital, whether for a minor scrape on the forehead or a critical injury. It does not, therefore, include the costs of private medical care; for example, the fellow who sprains an ankle in an accident but goes to his family doctor for treatment and does not attend the hospital.

This figure of \$231 million is startling, and, I think members will agree, unnecessarily high. It also does not include the nonmonetary costs absorbed by the victims, their families, employers or others who may have been affected.

I would like to quote from a study summary which, in turn, quotes a statement from an anguished parent whose 15-year-old daughter was an accident victim: "It is impossible to estimate the real costs of an accident. Financially there were no losses. Socially, emotionally and intellectually, the costs have been enormous and uncompensated."

**2:20 p.m.**



This particular young victim still experiences speech and limb difficulties although the paralysis diminished over a period of three years. It is obvious we simply cannot put a price on that kind of injury, but it is just as real and just as important as the financial toll taken by motor vehicle accidents.

The findings of this study clearly demonstrate the need for more stringent highway safety measures because, as a society, we simply cannot afford to bear the cost of motor vehicle accidents.

The study results also underscore the timeliness and importance of an event that is taking place here in Toronto next week. I am referring to the International Symposium on Occupant Restraint, which is being cosponsored by my ministry, the Ministry of Health and the American Association for Automotive Medicine.

This symposium, at the Hotel Westin from June 1 through 3, focuses on the need for a greater commitment, on the part of physicians, public health officials and legislators, to methods of improving and increasing the use of occupant restraints, something we know can save lives and reduce injuries.

It has attracted experts from all over the world who will deliver presentations on various aspects of the issue, some of which are medical and social perspectives of occupant restraint, mandatory seatbelt laws and enforcement, and the special needs of infants, children and the handicapped.

I am certain this symposium will be an informative experience for all of us interested in reducing the number and cost of traffic deaths and injuries.

#### PAYMENT TO SOW-WEANER PRODUCERS

**Hon. Mr. Henderson:** Mr. Speaker, I wish to announce that the Ontario Farm Income Stabilization Commission will be making a payment to Ontario sow-weaner producers under the pork stabilization plan. About 4,400 sow-weaner producers will be receiving payments on a total of 190,000 eligible sows. The total amount of the payment is \$10 million, representing \$51.94 per sow. It is expected that the cheques will be in the mail by late June.

The payment is based on a formula using a five-year average of the price of market hogs adjusted for cash costs of production. The plan was designed to ensure that our hog industry would survive periods of low prices by making it possible for sow-weaner producers to remain in business.

Unfortunately, the federal Minister of Agriculture, Mr. Whelan, has decided to deduct Ontario's payment from the amount the federal plan will pay to Ontario producers of market hogs. This decision is so unjust and so unfair that I find it hard to believe that an elected representative could even think of doing it. However, Mr. Whelan apparently intends to do just that.

As I have pointed out to Mr. Whelan, Ontario and Quebec have almost identical sow-weaner plans and yet only Ontario producers are going to be penalized with this deduction. The decision to water down an already weak federal plan strikes at the foundations of the stabilization program at a time when producers need it most.

The Ontario plan was designed to fit smoothly into the federal plan. Our staff and the federal staff co-operated during the development of the Ontario plan in 1976 and we had an understanding with the federal government that our plan did not constitute excessive top-loading. Now Mr. Whelan is going back on this understanding. He claims the decision to deduct Ontario's payment from the federal payment was made to discourage excessive top-loading. He also says it was done to establish leadership. The only place he is leading us is into trouble.

Ontario producers need the security of knowing what their receipts and incomes are going to be. They must know this or they cannot plan for the next production period. Stabilization plans were established to bring this kind of security to the hog industry. Now Mr. Whelan is making stabilization itself another source of uncertainty. Producers must now ask themselves, "Will the federal government make a full payment or will they decide to shave it somehow?"

I have sent a telex to Mr. Whelan pointing out the very unequal treatment Ontario is receiving. I have pointed out to him that an Ontario farrow-to-finish operation stands to lose \$3.63 per hog for no good reason. I have requested that he meet with Mr. Douglas Farrell, chairman of the Ontario Pork Producers' Marketing Board, and me so that we can straighten this matter out and get equitable treatment for Ontario producers.

Mr. Whelan is still out of the country so I have received only an acknowledgement from his office, but I intend to pursue this matter. The farmers of this province deserve better treatment from the government of Canada.

## ORAL QUESTIONS

### APPRENTICESHIP BRANCH

**Mr. Smith:** Mr. Speaker, I have a question for the Minister of Colleges and Universities. Given the importance of increasing the number of skilled workers, something outlined by the federal minister and given lip service by the provincial minister, would the minister not agree it is a very unusual matter indeed to be actually implementing both budget cuts and personnel cuts on the apprenticeship branch of her ministry?

Is she aware of the minutes of the meeting that have come to me, held on March 27, in which a number, 20 to be exact, of budget requests have been denied? I do not want to use the time of the House to read them all but they include staff required to operate the new computer activity, staff required to give clerical support, temporary personnel, special supplies and special clothing such as hard hats and safety glasses. All kinds of things have been denied, all 20 requests, including funds for ethnic advertising.

Why has the situation come to what has been called by their chairman, and I quote, "a grave situation with respect to the 1981-82 budget"? Given the need for skilled workers, why would that branch of the ministry find itself so strapped by personnel and budget cuts at this time?

**Hon. Miss Stephenson:** Mr. Speaker, in moving to total computerization of the record-keeping system in the apprenticeship branch, there have been strong suggestions, which I think are supportable, that the actual number of staff required within the central branch might be reduced. That matter is still under consideration and, although there was a preliminary meeting with immediate supervisory staff, the final decisions related to activities within the apprenticeship branch have not been taken.

**Mr. Smith:** Supplementary, Mr. Speaker: The minutes show very clearly that far from having fewer personnel requirements as a consequence of the new computer system, I quote from the minutes, "The new computer system is experiencing massive growing pains, as we all know." Among the growing pains is the fact that people are now waiting at least six months to receive their certificates after they have passed the examination.

**Hon. Miss Stephenson:** That is not so.

**Mr. Smith:** I have the cases, if the minister would like to know about them. She should not say it is not true, because I happen to know

people who are waiting. In fact, they specifically asked for additional positions to enable them to work the bugs out of the new computer, and yet that request was denied.

Would the minister comment especially on that, but more particularly on the fact that the following is underlined in the minutes? It was reiterated that, and I quote, "In our dealings with the public, we must not attribute any problems in service to either personnel or dollar cuts." It is not as though they do not expect those problems, because the next sentence, after telling the members of the ministry to lie to the public, is—

**Hon. Mr. Davis:** Shame.

2:30 p.m.

**Mr. Smith:** Would the Premier like to hear this?

**Hon. Mr. Davis:** Yes.

**Mr. Smith:** Good. Let me read it to him, Mr. Speaker. "Any problems occasioned by these cuts"—so obviously they expect problems from the cuts—"you are not to tell the public that it is due to personnel or dollar cutbacks but you are to bring them to the attention of the director, who will take them up with higher authority."

The question is, why is the minister putting the very branch of her ministry that should be being expanded, the apprenticeship branch, under such hardship? Why are the minister and the people in her ministry telling the folks who meet the public to tell the public anything but the truth that it is the cutbacks that are causing the problems in service?

**Hon. Miss Stephenson:** Mr. Speaker, only the devious mind of a bedside psychiatrist could come up with such a distortion of what that memo actually said. If it is read properly it should be understood by all that the problem, if a problem arises, is to be directed to the director of the branch in order that the director, with those in immediate supervision of that branch, may solve the problem rather than simply make explanations for it.

**Mr. Cassidy:** Supplementary, Mr. Speaker: With the large number of tradesmen who are reaching the age of retirement and who will not be available to work in the economy over the course of the next five or 10 years, could the minister explain why it is that the government has failed to have any kind of substantial expansion in this current year of its apprenticeship programs? Why, in fact, does the budget indicate that the amount of money allocated for apprenticeship in 1981-82 will not be \$1 more



than last year and therefore, in terms of the amount of apprenticeship training it can buy, will be down by 10 or 12 per cent?

**Hon. Miss Stephenson:** I do not believe, Mr. Speaker, that it will decline in any way during the next year. There are increased efficiencies which have been developed within the branch and are being demonstrated daily. There are, in fact, increased numbers enrolled in apprenticeship programs in Ontario. That is a goal we intend to continue to pursue.

**Mr. Haggerty:** Supplementary, Mr. Speaker: Last year about this time I raised a question with the minister relating to the funding from the federal government towards manpower training in Ontario. I believe it is \$242 million. At that time she promised she would table that complete document with the expenditure of where the funds went. I have not seen it as of this day. Is it available to the Legislature?

**Hon. Miss Stephenson:** Mr. Speaker, I will check. I thought that had been done. If it has not, then the information will be provided.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Would the minister give the figures in terms of the number of people taking apprenticeship training this year compared with last year? When inflation is estimated in the budget of the Treasurer (Mr. F. S. Miller) to run at 12.1 per cent and the dollars allocated for apprenticeship are no different from last year, could she also explain how she can say the program is being expanded? Does that mean she has increased efficiency by 12.1 per cent or more? If so, can she explain how on earth this government has been able to do that here when it has never been able to do that in any other program at any time in its history?

**Hon. Miss Stephenson:** With great enthusiasm, Mr. Speaker. I do believe there has been a specific and definitive increase in efficiency within that branch as a result of the number of changes that have been introduced by the director of the branch, Mr. Beggs, since he became director. I do believe, as well, that the numbers have increased. I will be pleased to provide the exact numbers for the honourable member.

#### BURLINGTON BAY SKYWAY

**Mr. Smith:** Mr. Speaker, I have a question of the Minister of Transportation and Communications. The minister will remember that on Tuesday there was a discussion in this House

regarding the fact that he seldom talks to his seatmate as regards highways in the province. The subject was Highway 404 at that point.

Is this to be a continuing habit, inasmuch as the people of Hamilton now are in quite a state of concern given the fact that the Ministry of the Environment has stated the Ministry of Transportation and Communications has not yet made a convincing case for the need either to twin the Burlington Bay Skyway bridge or to build a tunnel? In fact the need for that improvement, according to the Ministry of the Environment, has not been made by the Minister of Transportation and Communications, and the Hamilton Spectator quotes the Minister of Transportation and Communications as saying, when given this news, that he was feeling "totally frustrated." He said, "I am somewhat at a loss to know what more they want," and: "God, everyone knows the Burlington Skyway is the biggest bottleneck in the Ontario transportation system. Everyone knows it is at about capacity right now."

Since everyone seems to know this except his seatmate the Minister of the Environment, will the minister first of all undertake to start talking to the Minister of the Environment so that we do not have these constantly embarrassing and havoc-making situations? Second, can he explain to us why the Ministry of Transportation and Communications could not make a convincing case to the Ministry of the Environment in terms of the need for the project, aside from environmental considerations?

**Hon. Mr. Snow:** Mr. Speaker, first of all, may I say that it is my opinion that the ministry has made a convincing case. It may not be the opinion of some staff member in the Ministry of the Environment who happened to be the reviewer of that particular report.

Following the government decision to proceed with improvements to the Burlington Bay Skyway, which was announced some considerable period of time ago, it took my ministry several months to complete the environmental assessment documents we had to complete to submit to the Minister of the Environment. They were completed and submitted to the minister in, I believe, December 1979.

After many months of review by the Ministry of the Environment, they submitted their review document a week or 10 days ago, some 18 months after I had submitted the report to the minister. That review document recommends that the ministry proceed with phase one of its three-phase project.

Phase one involves a substantial amount of work on the Queen Elizabeth Way, upgrading four or five interchanges, widening the two-lane lift bridge to four lanes, and work on the grade level crossing. All the things that we had asked for under phase one now are recommended for approval.

We still have to go through the 30-day waiting period and a further 15-day waiting period beyond that, as well as a whole lot of other things, before we can actually start to do anything; and I must say this is only the type one environmental approval that we are getting.

As I said in the newspaper—and from what the Leader of the Opposition read out, I believe I was quoted correctly—I do not know what more we can supply to the ministry to substantiate the need.

My deputy minister and senior officials have met with officials of the Ministry of the Environment within the last few days to try to establish what more, if anything, we can supply.

We know that the Burlington Bay Skyway is operating at capacity—in fact, beyond design capacity. It is the biggest traffic bottleneck in Ontario, and it is one of the most important transportation corridors for the economic commerce of the province.

That is the situation, and I was quoted properly. We will be meeting with the Ministry of the Environment. We will be doing everything possible to proceed with that project.

**Mr. Smith:** It is most amusing to watch the Minister of Transportation and Communications and the Minister of the Environment washing their dirty linen in public, but unfortunately the soap is getting in the eyes of everybody else. Can the minister possibly get together with the Minister of the Environment and find out what it is they want to know about the need, which is perfectly obvious to everybody who is aware of the problems—

**Mr. Speaker:** Order. The Minister of Transportation and Communications on a point of order.

**Hon. Mr. Snow:** Mr. Speaker, I answered the specific question that the Leader of the Opposition now is re-asking. In my remarks a few moments ago, I stated that officials of our ministry and the deputy minister had met within the last few days.

2:40 p.m.

**Mr. Smith:** I will accept that the minister said his officials are talking. Maybe I could rephrase the question and ask the minister why it had to

hit the headlines in the Hamilton papers so that he is now going to have a delegation from city council and possibly from the regional council coming to ask him what is going on? Why could they not have talked to each other before the matter hit the headlines so the people of Ontario would get the feeling that somebody is minding the store and knows what is going on?

Will he be sure that, whatever the environmental considerations might be—and those are a separate matter completely—at least the need for the facility will not be in question much longer, because anyone who has eyes to see can see the desperate need for that additional facility?

**Hon. Mr. Snow:** I have to say to the honourable member that we got the review report of the Ministry of the Environment at the same—

**Hon. Mr. Davis:** We can see the need for a waste disposal facility.

**Mr. Smith:** Not in Cayuga. There is not a waste problem there.

**Hon. Mr. Snow:** The honourable member is not listening, Mr. Speaker.

**Mr. Speaker:** Order. Do you want an answer?

**Mr. Smith:** The Premier asked me a question.

**Hon. Mr. Snow:** The honourable member asked me the question. He did not ask the Premier.

**Mr. Smith:** It would be disrespectful if I didn't answer him.

**Mr. Speaker:** Order. Mr. Snow has the floor.

**Hon. Mr. Snow:** As I was trying to explain, we in the ministry obtained a copy of the review report from the Ministry of the Environment at the same time as the city of Hamilton, the region of Hamilton-Wentworth and the general public. I cannot recall the exact date. I am sure it was some time early last week. The senior officials of the ministry got it last week. As well, I discussed with my colleague that I was unhappy and disappointed with the position taken by the ministry.

I do not argue with the process of environmental assessment. I have to say I am terribly frustrated with the delays and the process it has to go through, with the possibility of many months of future delays depending upon the objections or the need for hearings.

I have said to my colleague that we must take a look at this process to see if there is some way of streamlining it so we can live by the act, protect the environment, go through the studies



and live by the decisions. In the meantime, we can try to cut out some of these many months of wasted time.

**Mr. Mackenzie:** Supplementary, Mr. Speaker: Can the minister tell us whether the decision of the environmental people that the twinning was not needed was based on information his ministry supplied to them, or did they do a separate investigation of their own?

**Hon. Mr. Snow:** Mr. Speaker, I have to argue with the statement of the honourable member that it was a decision of the Ministry of the Environment that the project was not needed. I do not think there was any decision by the Ministry of the Environment. As I read the comments briefly as they came in, these stated they felt my ministry had not supplied enough documentation to substantiate the need.

I know what happens when we submit an environmental assessment to the ministry. I believe we supply 150 copies to the ministry. Many of those are distributed to the public, to the municipalities and to others that are interested. Many are submitted to other ministries of this government, such as the Ministry of Natural Resources, the Ministry of Treasury and Economics, to conservation authorities and so on; and they make comments to the Minister of the Environment on our assessment.

The first I knew someone was questioning the need was when this report came back. I do not know where the comments came from to the Ministry of the Environment that would lead the reviewer for that project to make the statement that we had not substantiated it. All he had to do was take his car, drive 20 miles and see what was going on. I do not think he would have questioned the need.

**Ms. Copps:** Supplementary, Mr. Speaker: By way of information to the minister, this report was published a month ago, and I find it amazing that he is not aware of it.

Can I ask the minister, who has had input into this report along with several other ministries in this government, why this report concludes that one of the reasons for opposing the development of some alternatives to the present skyway is that improving transportation in Hamilton-Wentworth could damage industrial development in Burlington?

**Hon. Mr. Snow:** As I say, Mr. Speaker, the comments that go to the Ministry of the Environment, to the actual reviewer who reviews the environmental assessment document that I submit to the minister, come from many areas. It

could have been a comment from the city of Burlington that was made in that area. I have no idea where that comment would have come from.

**Ms. Copps:** By way of information, Mr. Speaker, has the minister read this month-old report?

**Mr. Speaker:** Order.

#### CANADIAN FARM WORKERS' UNION

**Mr. Cassidy:** Mr. Speaker, I have a statement to read to the Minister of Agriculture and Food (Mr. Henderson).

Does the minister agree with the statement that: "It is in the public interest of the province of Ontario to further harmonious relations between employers and employees by encouraging the practice and procedure of collective bargaining between employers and trade unions as the freely designated representatives of employees"?

Does the minister agree with that statement, particularly in the light of the plans of the Canadian Farm Workers' Union to organize on Ontario farms this summer?

**Hon. Mr. Henderson:** Mr. Speaker, I do not know the origin of this statement, but I believe it is one of the ministers sitting back here—the Minister of Labour (Mr. Elgie); and if the Minister of Labour made that statement, yes, we are united in any statements we make.

**Mr. Cassidy:** The minister is very perceptive. In fact, it is not just the Minister of Labour; it is the preamble to the Labour Relations Act of Ontario.

Since the minister says he agrees with that statement, which endorses the right of workers to free collective bargaining, will he retract the following comments, which he was quoted in the paper on Monday as having made: "I think the farmer is quite capable of running his own business without this kind of interference"? The minister was referring to the efforts of the farm workers' union to begin organizing on Ontario farms this summer.

To avoid the possibility of confrontation or violence on farms across this province, will the minister act to ensure that farm workers gain the right to organize under the Labour Relations Act, from which they are now excluded?

**Hon. Mr. Henderson:** This minister is acting on behalf of the farmers in this province. His position is quite clear.

**Mr. Cassidy:** Will the minister clarify which position he is taking at which time today? Are

we to believe that he is in favour of free collective bargaining, as he said about two and a half minutes ago, or that he is prepared to prevent the farm workers from seeking to exercise the right of free collective bargaining by every means possible when it comes to the farmers for whom he is responsible? Where does the minister stand?

Will the government come to the rescue and ensure that farm workers get the right to free collective bargaining so that they can have the same rights as are enjoyed by workers in every other sector of the Ontario economy?

**Hon. Mr. Henderson:** I have made it very clear; I am supporting the farmers of this province.

### HOME OWNERSHIP

**Mr. Cassidy:** Mr. Speaker, I have a question for the Treasurer concerning the problems of the people in the province who wish to have a house of their own.

I want to ask the Treasurer whether he is aware of the statements made at the annual meeting of Bramalea Limited this week by Mr. Richard Shiff, the chairman and chief executive officer of Bramalea, who said that the family income necessary to support the \$70,000 mortgage required on the average home has gone up by 40 per cent and now stands at \$46,000 a year.

Since Mr. Shiff says it is an affordability crisis—and everybody else can attest to that—and since the estimate of Bramalea is that only 10 per cent of the families renting accommodation can actually afford to buy a home, can the minister explain why there was no response to this problem of home ownership in the budget that he brought down a week and a half ago?

2:50 p.m.

**Hon. F. S. Miller:** Mr. Speaker, I think there were two questions. Was I aware of the comment? No, I was not.

My government has been greatly concerned about that problem. We have discussed it for more than a year. It is a very real problem. We have argued month in and month out that there was some need for the kind of leadership at the federal level that would keep an interest rate in Canada that would permit people on average incomes to own homes.

I hope one of these days the request of my Premier to the first minister of this country to have a first ministers' meeting on the economy to address that kind of issue will be acknowledged and agreed to.

**Mr. Cassidy:** In addition to telling the federal government that it is time to abandon the disastrous high interest rate policy it has been following, and which its Conservative predecessors were following, with the result that this has created many problems, can the minister say whether he is aware that the Bramalea chairman now estimates that seven out of every 10 families who signed an agreement and placed a substantial down payment to buy a home lose the right to buy that home because they are rejected for mortgage purposes and that will shortly lead to a sharp turndown in the construction of housing here in Ontario?

Can the Treasurer explain, when 70 per cent of people who showed that they can buy a house are being shut out because they cannot even meet the mortgage requirements, why it is the government had no specific response to the problem of home ownership in the budget for which this province is responsible?

**Hon. F. S. Miller:** There are other aspects to home ownership, such as the ability of a person to find a job and the state of the economy. On that basis, I argue that the budget addressed a number of the issues that involve a person's ability to own a home.

**Mr. Cassidy:** Will the minister acknowledge what Mr. Shiff calls a financial crisis that has squeezed low- and middle-income families out of the housing market? If the minister acknowledges that, will he inform the Minister of Housing (Mr. Bennett), who seems to be unaware of the problems of low- and middle-income families in terms of getting housing, and will this government undertake to bring in policies that will ensure that once again families on low and middle incomes can have the right to own a home in Ontario and not to be perpetual tenants?

**Hon. F. S. Miller:** The Minister of Housing has basically been asked that question by the member day after day after day. I think he has answered very well.

### TILE DRAINAGE

**Mr. Riddell:** Mr. Speaker, I have a question to the Minister of Agriculture and Food. I trust the minister is aware of this blue document entitled Building Ontario in the 1980s, which was, of course, the Tory party platform in the last election. I trust the minister had a part to play in the programs outlined under the title "Upgrading Farm Land." Unless his memory fails him, I want to refer him to page 21, which states:



"Through land clearing efforts, selective drainage and farmstead improvement, one million acres of farm land in eastern and northern Ontario are capable of being upgraded into high-quality agricultural land. The large capital input required for these improvements will greatly increase the overall productive capacity of the agricultural land base and permit the expansion of the high-value crops in areas where agriculture potential has not been fully realized. To achieve such production, Ontario will establish an acreage improvement fund which will provide financing at favourable rates."

My question to the minister is, if more funds are going to be made available for tile drainage, how does he explain the letter he sent to all municipalities in Ontario, including eastern Ontario and northern Ontario, which states in part, "Because of our budget, I would ask all councils to seriously consider limiting loans to 50 per cent of cost instead of 75 per cent."

In keeping with the promise, when does the minister intend to establish the acreage improvement fund and why is he complicating the farmers' problems further by restricting their tile drainage loans to 50 per cent of the cost instead of the traditional 75 per cent?

**Hon. Mr. Henderson:** Mr. Chairman, the honourable member is beginning to appear like his brethren in Ottawa: he only tells part of the story. Will he be honourable enough to stand up and read the full letter, and not take it out of context?

**Mr. Speaker:** This is question period. He asked a question.

**Hon. Mr. Henderson:** Then I will answer the question. The member knows full well it is in that letter. Part of it was in a statement I made in this House a year ago March, when I suggested a limitation on loans.

The honourable member knows full well I suggested in that letter that the municipalities can debenture up the half of the total money they had last year. He also knows full well in that letter I asked the municipalities to send a report to me in July as to the number of applications they have. I have assured the municipalities they will have a response by the first part of September, something that was asked of me by the municipalities themselves.

The honourable member apparently cannot read the true facts or does not want to.

**Mr. McKessock:** Supplementary, Mr. Speaker: I assume the minister does not agree with increased interest rates to a large extent. Does

the minister realize what he has done by cutting back from 75 per cent to 50 per cent? He has increased the interest rate the farmer has to pay for tile drainage loans by 60 per cent. Originally, the farmer would have got 75 per cent of his loan at eight per cent, but now he is going to have to pay 22 per cent for the other 25 per cent, which is a 60 per cent increase in the interest rate he now will have to pay for these loans. Does the minister agree with that?

**Hon. Mr. Henderson:** The honourable member knows what the interest rate is. He knows the guidelines. If he was not here in the House the day I read them out, which was about the last day of March last year, that is his fault. I put my program out here before the honourable member. Apparently, he was not here to hear it and did not want to debate it at that time. The interest rate is eight per cent paid back over a five-year period, and the honourable member knows the full truth of it.

#### LANDLORD AND TENANT DISPUTES

**Mr. Philip:** Mr. Speaker, I have just received some information that I trust the Attorney General has already received. I want to ask him a question on it. I understand the Supreme Court has just ruled that the landlord and tenant section of the Residential Tenancies Act is unconstitutional. What is the government's contingency plan now that there has been this ruling?

**Hon. Mr. McMurtry:** Mr. Speaker, as to where we proceed from here, of course, the status quo will prevail for the foreseeable future inasmuch as the county courts, for example, will retain their jurisdiction in these landlord and tenant disputes.

The decision simply affirmed the decision of the Ontario Court of Appeal; so it is just a question of continuing or perpetuating the status quo as far as that particular section of the legislation is concerned. It is unfortunate because there is no question, given the large volume of landlord and tenant cases, that this type of tribunal would be more accessible for both landlords and tenants. Hearings could be expedited, and it would be less costly.

As a matter of fact, the Supreme Court of Canada referred to it as a very worthy objective, but we are caught with the section 96 provisions in the old constitution. This, of course, is one of many reasons why Ontario is supporting the whole process of constitutional reform. Quite frankly, this is perhaps an anomaly in the

present constitution; it may even be an anachronism with respect to the need for this type of provincial tribunal.

It is a matter I raised with the Prime Minister of Canada at the first ministers' conference, and he agreed that this aspect of constitutional reform should be given a high priority. However, we still have to live within the British North America Act of 1867, and we do not expect this matter to be resolved until we have patriation with, I hope, a workable amending formula, because we are really talking about an amendment to the constitution.

**3 p.m.**

**Mr. Breithaupt:** Supplementary, Mr. Speaker: Has the Attorney General contacted other ministers of justice across the country to see if they too are interested in developing this kind of opportunity for residential tenancy commissions or their equivalent to do this kind of work, as the Supreme Court of Canada suggested was worthy, so that there will be—one would hope—a consistent view from the provinces as to developing this type of expertise and this type of approach to dealing with this kind of problem when constitutional amendments are considered, should the patriation of the constitution be arranged in the near future?

**Hon. Mr. McMurtry:** Mr. Speaker, it is a concern that is shared by virtually every province. Every province does agree this is a route that we should be going in the public interest, and we have had some uniformity of approach in this respect. But I certainly agree with the honourable member that is an essential element of constitutional reform in this area.

**Mr. Renwick:** Supplementary, Mr. Speaker: Redirecting the attention of the Attorney General to the fundamental problem of landlord-tenant relations, and recognizing that this party voted against the bill and urged early on that the bill was unconstitutional, will the Attorney General make a full statement in the House tomorrow about the implications of the decision of the court, not on the constitutional question but on the question of what this government intends to do now to look at some of the anomalies in the Residential Tenancies Act given the fact that the decisions must be made through the county court system?

I am particularly thinking about things such as the rate of interest payable on security deposits and a number of other miscellaneous matters that are totally within our competence, which appear to have gone by the board unless some action is taken now by the government.

**Hon. Mr. McMurtry:** This is obviously a complex matter, Mr. Speaker. I have only been advised of the judgement. I have not had an opportunity to read it. Now that we have the decision of the Supreme Court of Canada, I agree that the Landlord and Tenant Act and the alleged reported anomalies that the member for Riverdale refers to have to be addressed. This obviously is a matter of considerable concern to the Ministry of Consumer and Commercial Relations.

I think it is fair of the member for Riverdale to ask the government what our intentions are in this regard, but I think tomorrow is perhaps a little early to be able to make those intentions known. However, I agree this is a matter that should be given a high priority.

**Mr. Epp:** Supplementary, Mr. Speaker: Given the fact that the Supreme Court of Canada has made the ruling and I asked the Attorney General earlier this week what his feelings were with respect to the rental deposits, is he now prepared to bring in an amendment to the Residential Tenancies Act, for which he is responsible, either to increase the amount of interest on rental deposits or alternatively to make this a matter of regulation and thereby make the cabinet responsible for increasing the amount of interest paid on deposits?

**Hon. Mr. McMurtry:** Mr. Speaker, there is nothing I can add to the answer I gave to the member for Riverdale a moment ago.

#### CONSTRUCTION OF LRT CARS

**Mr. Hennessy:** Mr. Speaker, this question is directed to the Premier. In the Premier's statement regarding the Urban Transportation Development Corporation, will this mean that the Hawker Siddeley Can-Car plant in Thunder Bay will receive employment opportunities in the city of Thunder Bay in the construction of these new cars for British Columbia?

**Hon. Mr. Davis:** Mr. Speaker, I believe that UTDC will be discussing with two, three or four possible suppliers of the vehicle, and I think it is fair to state that Hawker Siddeley of Thunder Bay will be one of those possibilities.

While I am on my feet, I would like to thank the member for Fort William (Mr. Hennessy) for his continued support of that organization and his desire to see that further cars to be used on the GO service will be constructed or manufactured at the Thunder Bay plant. I would also like to tell him I expect the government shortly will have some news on that contract.



## PRICE OF URANIUM

**Mr. Sargent:** Mr. Speaker, I have a question for the Premier regarding the fact that Denison Mines, the federal government and the provincial government acted in concert to set up a cartel to purchase uranium for Ontario Hydro. Part of this question is a presentation, which I now will make to him, of this massive fortune cookie worth \$2.5 billion. I will show him how to make \$2.5 billion quite easily.

The price of uranium has been raised from \$8 to \$40 a pound. The Premier has, and we have collectively, the power under section 113 of the Mining Act to refuse to grant export permits for unrefined uranium. We have the power to raise the annual acreage fee for mining leases on crown lands to a level that would wipe out Denison Mines' windfall profit.

**Mr. Speaker:** What is the question, Mr. Sargent?

**Mr. Sargent:** The question is that Denison Mines now pays about \$1 per acre per year for the use of provincial mining lands. We and the Premier have the power to raise the provincial mining tax to a level that would wipe out all these profits.

**Mr. Speaker:** Would the Premier not agree?

**Mr. Sargent:** Thank you. Would the Premier give this House one good reason why we should not move to acquire ownership of Denison Mines to protect Ontario taxpayers from this \$7.5-billion ripoff which guarantees them a built-in profit of \$2.5 billion no matter what happens to the price of uranium?

**Hon. Mr. Davis:** Mr. Speaker, this has been a prolonged discussion among the member for Grey-Bruce, myself and others. I really do not want to go back to the early part of the member's question except perhaps to remind him that the phrasing of that part of the question was somewhat unfortunate.

This government never participated with the government of Canada or anyone else—

**Mr. Sargent:** That was the motivation for it.

**Hon. Mr. Davis:** Be very careful. I want it made abundantly clear this government was never involved with anyone in terms of the discussion or setting of the world price for uranium. I want to make that clear. Perhaps the member did not intend to make that inference but, knowing how he asks questions, perhaps he did. I want to make it clear that was not the case, has not been the case and is not the case.

With respect to the contract between Ontario

Hydro and Denison Mines—and incidentally Rio Algom, not just Denison—the honourable member had the occasion along with his colleagues to discuss in great detail the cost implications of that contract. The members of the House did also. I am not going to get into a debate on this occasion as to the figures except to say the government is not contemplating the acquisition of Denison Mines, Rio Algom or any other mining industry.

I must say to the honourable member we have intervened in the private sector. We are endeavouring to assist Massey-Ferguson and I would think the member for Grey-Bruce might want to reconsider the position he took Tuesday night in the light of his conversion to the point of view he has expressed here this afternoon.

**Mr. Sargent:** That was one of my better nights.

**Hon. Mr. Davis:** Does he remember the point of view? Does he remember the position he took the other night?

**Mr. Sargent:** That is a bit of dirty pool but let's go anyway.

**3:10 p.m.**

The Premier and I know that Westinghouse in the States found themselves locked into the same price factor. The minehead price was \$1 a pound, and if it went up to \$40 a pound, Westinghouse across the world would have gone bankrupt and would have lost all their holdings. To save themselves and to stay in business they went to the Supreme Court and they renegotiated the contract. They did that and they won the case.

My point is this: The Premier is the one who hurried it up, by his letter to the member for York South (Mr. MacDonald), giving them a deadline of February 28 to finalize the contract. The Premier gave them the deadline. I do not know if the Premier has all that power. I tell him now that he has the right to take over the mine, acquire it for the people of Ontario, but he is still going to go ahead and give them a \$2.5-billion profit, plus a \$339-million loan—up-front money that will be interest-free for 40 years.

How can he do all those things? Are those statements wrong; am I not telling the truth?

**Hon. Mr. Davis:** Mr. Speaker, I would be the last one ever to accuse the member for Grey-Bruce of not telling the truth. I might on occasion say he is perhaps misinformed, ill-advised or misguided. No one has ever denied the legal availability or at least the possibility of the government acquiring almost anything; I

have never disputed that. There is no dispute that the Ontario government has the right in terms of export licence permits; that has been a part of the law for a considerable time.

However, that is really not the issue in this case. I have to repeat to the honourable member, that contract was negotiated with, incidentally, some very able assistance from some very able people, between Denison, Rio Algom, and Ontario Hydro.

**Mr. MacDonald:** Supplementary, Mr. Speaker: Would the Premier not agree that the one good reason for his response to the Liberal member for Grey-Bruce was that when this issue was before the select committee and we could have had a united opposition recommendation to the government to take over Denison, it was the Liberal Party that backed off from it so that we had a three-way split among the parties and the government could do what it wanted?

**Hon. Mr. Davis:** I have to say it was not the government doing what it wanted; it was the government supporting Ontario Hydro in what it felt was a proper policy direction. I can only assume that after Tuesday night, from his new policy today, the member for York South is quite right as to what happened on the committee. There is no question that the member for Grey-Bruce is giving serious consideration to moving further to his philosophical and geographic left in joining the other group. I think that is a very valid point to make.

#### VAUGHAN TOWNSHIP LAND USE

**Hon. Mr. Henderson:** Mr. Speaker, I want to respond to a question raised earlier by the Leader of the Opposition about my ministry's involvement in an estate residential development proposal in the town of Vaughan.

**Mr. Kerrio:** Blame it on the feds.

**Hon. Mr. Henderson:** He apparently is not interested.

In the first instance, staff of the food land development branch reviewed the proposal and indicated some objection to some parts of the proposal. These objections were based on soil maps and the possibility that some of the land could be used for agricultural activity. Some time later, the Minister of Housing (Mr. Bennett) suggested I review the matter to clarify the impact upon agricultural activity. At that time I asked my parliamentary assistant, the member for Elgin (Mr. McNeil), to look at the property

as a farmer, a graduate of the Ontario Agriculture College and a member of this Legislature for many years.

**Mr. Kerrio:** And a good Tory.

**Hon. Mr. Henderson:** Yes. I believe the difficulty over this application has arisen because the Ontario food land guidelines were applied too rigidly in this case.

My staff and I have thoroughly reviewed the guidelines and the information on the land in question. This review indicated the original application of the guidelines was unsuitable in this case. The maps show about 40 per cent of the area is reasonably good land, but the inspection of the area by the member for Elgin showed the land is cut up into small irregular parcels by gulleys. Long-term farming in these odd-shaped and sometimes steeply sloping parcels is not practical. For the most part they simply do not lend themselves to modern farming methods with large machines. Even the present agricultural activity involving some hobby farming and some cash cropping is in decline.

The guidelines are designed to deal with the ever-changing face of agricultural needs and practices. When this application was first reviewed, sufficient consideration was not given to the changes that have made this area less than ideal for modern agriculture. However, a more complete consideration of the question shows the original application of the guidelines was unrealistic.

Any guideline, or law for that matter, is subject to interpretation. That is why we have courts, appeals to cabinet and a municipal board. It will continue to be my policy to reserve the right to review interpretations of food land guidelines, as it will be the right of the municipalities, the Ontario Municipal Board and cabinet when requested. I do not think any member would want that right denied his or her constituent. This very basic right of the citizens of this province has been impressed upon the staff of my ministry.

**Mr. Smith:** Supplementary, Mr. Speaker: It becomes quite apparent upon listening to that answer that the minister clearly could not find anyone in his ministry to examine that land and come to the decision that was requested by the Minister of Housing. It is clear he chose his parliamentary assistant instead—a partisan—to come to the appropriate conclusion.

Could the minister tell the people of Ontario of any other time when he has chosen his parliamentary assistant to go to examine whether



food land guidelines have been properly applied in cases before the OMB? Could he explain how it is that even after he came to his conclusion, the experts in his ministry stuck by their original decision, and said so in front of the OMB? Can he tell us whether he is aware of how the letter from him to the Minister of Housing found its way into the OMB files?

**Hon. Mr. Henderson:** Mr. Speaker, it is very important that this question was asked—questioning the ability of my parliamentary assistant. If I cannot attend to something myself—

**Mr. Riddell:** He doesn't have the expertise.

**Hon. Mr. Henderson:** —he is the first man I would turn to and I would stack him up against the member's whole party.

**Mr. Smith:** What else does he do?

**Hon. Mr. Henderson:** I use him every day. He is there and we use him every day. The member cannot say that about his helpers.

**Mr. Riddell:** He was used all right.

**Mr. Speaker:** Order.

**Hon. Mr. Henderson:** Mr. Speaker, I am glad the member asked how my letter got into the OMB files. The region subpoenaed one of my staff members. The director of the food land development branch, Mr. Vern Spencer, a very capable director, felt it was his responsibility to make all information available. He went through my file and sent to the region a copy of all the correspondence. I understand the region filed that as evidence. It is as simple as that. There was nothing given.

3:20 p.m.

**Mr. Cassidy:** Final supplementary, Mr. Speaker: Is it not the case that what the minister has done is set a precedent under which, whenever it is a choice between respecting the food land guidelines or kowtowing to developers who want to pave over farm land and use it for urban purposes, even the Minister of Agriculture and Food of this province is going to abandon the food land guidelines, weak as they are?

**Hon. Mr. Henderson:** Mr. Speaker, I want this House to know that I do not know any of the property owners, any of the developers or any of the lawyers; not one of them.

**Mr. Riddell:** Your boss does.

**Hon. Mr. Henderson:** My boss gives me no orders whatsoever. I consider what I did to be the responsibility of a responsible minister in replying to another minister's request. The food land guideline is fully applied to this case.

## GRANTS TO CHILDREN'S MENTAL HEALTH CENTRES

**Mr. MacDonald:** Mr. Speaker, I have a question for the Minister of Community and Social Services regarding the impact of the provincial budget on grants to community mental health services, and more particularly to the Borough of York Child Guidance Clinic.

Since this clinic has seen its outpatients' load over the last four years grow from 1,971 to 3,806—double—and since it requires a 13 per cent increase in grants to be able to maintain its existing services let alone meet great unmet needs, and yet the grants it is going to get under this new budget are only nine per cent—I quote to the minister just one sentence from some material I have from the director: "If a distressed parent telephones that a 13-year-old child made a suicide attempt the previous night, it is extremely upsetting to be told that the earliest available appointment is two months down the line"—would the minister not agree that is tragic to the point of being dangerous, and would he therefore reconsider the grant that will be made to this clinic, particularly since it falls within the catchment area of Queen Street Mental Health Centre where there is a very heavy load?

**Hon. Mr. Drea:** Mr. Speaker, I would suggest the honourable member go back and talk to whoever gave him the information. There will be a meeting involving the actual rate of the increase on June 4. No rate has been set and the member knows it.

**Mr. MacDonald:** Mr. Speaker, I do not quite understand what the minister is saying. I have the documents that have been produced. Up until now it is nine per cent. Is the minister suggesting it is going to be more than nine per cent to at least meet the 13 per cent in order to maintain the current services? If he cannot suggest that, would he go to his colleague the Minister of Health (Mr. Timbrell), who reminded the House just a week or so ago that half the savings from the closing of Lakeshore Psychiatric Hospital were going to be made available for the development of services in that very area, and tell him this is a clinic that should get funds to make certain it can maintain an expanded service?

**Hon. Mr. Drea:** Mr. Speaker, I said—and I trust the honourable member will understand now that it is the second time around, although I will make it the fourth, fifth, sixth or seventh if

he cannot—that there is a meeting on June 4 to determine the actual rate of increase for that children's mental health centre.

#### PROVINCE OF ONTARIO SAVINGS OFFICE

**Mr. Yakabuski:** Mr. Speaker, I have a question for the Minister of Revenue. In view of the fact that in the last two days additional information has become available with regard to the exorbitant profits some of the banks have made in the first quarter of 1981, I was wondering, or many of us are wondering, whether his ministry had any thought of expanding the role of the Province of Ontario Savings Office.

The number of provincial savings offices has remained almost constant over the past 16 years. When we make the comparison of the provincial savings office and Petro-Canada, I think perhaps having provincial savings offices in all parts of the city and in every part of the province would be a step in the right direction in keeping that sector in line, to put it mildly.

Has this ministry any plans afoot to expand the role of the provincial savings offices and ask authority, whether it be federal, provincial or whatever, to make them full-fledged banks?

**Hon. Mr. Ashe:** Mr. Speaker, we have not been looking at this issue at this time. It is something worth investigating.

As I am sure all the honourable members know, the Province of Ontario Savings Offices are not chartered banks, nor in fact do they offer the services that are offered by chartered banks—in other words, they are not in the loan business. I think all members would agree that, as has been noted, part of the the growth and the profits of the chartered banks these days has come about because of their lending abilities, and we do not have those within the Province of Ontario Savings Offices.

With regard to the capabilities of changing them to broaden their scope, of course I think that would be in the purview of the federal government of Canada.

#### RADIOACTIVE WASTE DISPOSAL

**Mr. O'Neil:** Mr. Speaker, I had a question for the Minister of the Environment (Mr. Norton), but since he is not here today I will redirect that question to the Minister of Health. It concerns the dumping of radioactive fill from Scarborough in the vicinity of Bancroft in the Faraday township area.

Because of the possible health hazards in the

plan, not only for that area but also downstream and in the Belleville area, and since in this particular case 40 tons of radioactive soil are involved—however, a disposal location for approximately 250,000 tons of radioactive wastes from the Port Hope area has to be relocated—can the minister assure this House that a precedent will not be set for the Madawaska mine site to become a permanent repository for low-level radioactive wastes?

**Hon. Mr. Timbrell:** Mr. Speaker, I think it would be best if I took that question as notice to my colleague the Minister of the Environment, and asked that he and his officials prepare an answer for the member as soon as possible.

**Mr. Speaker:** The time for oral questions has expired.

With the permission of the House I would like to introduce to the members of the House the Honourable Ian Medcalf, ED, QC, MLC, Attorney General and Minister for Federal Affairs from Australia. I might clarify that he is from Perth, Western Australia.

#### REPORTS

##### STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr2, An Act respecting the City of Toronto.

Motion agreed to.

##### STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Shymko from the standing committee on social development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Culture and Recreation be granted to Her Majesty for the fiscal year ending March 31, 1982:

Ministry administration program, \$7,892,000; heritage conservation program, \$15,510,100; arts support program, \$41,204,900; citizenship and multicultural support program, \$7,573,800; libraries and community information program, \$13,588,800; sports and fitness program, \$13,509,100; ministry capital support program, \$34,298,500; translation services program, \$462,300.

3:30 p.m.



## STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Mr. Harris from the standing committee on resources development reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Energy be granted to Her Majesty for the fiscal year ending March 31, 1982:

Ministry administration program, \$2,386,500; conventional energy program, \$1,970,000; renewable energy program, \$7,124,000; energy conservation program, \$4,641,000; regulatory affairs program, \$1,194,000.

## CHANGE IN HOUR OF SITTING

Hon. Mr. Wells moved that notwithstanding standing order 3(a), the evening sitting on Tuesday, June 2, will begin at 9 p.m.

Motion agreed to.

## INTRODUCTION OF BILLS

### PLANNING AMENDMENT ACT

Hon. Mr. Bennett moved, seconded by Hon. Mrs. Birch, first reading of Bill 85, An Act to amend the Planning Act.

Motion agreed to.

**Hon. Mr. Bennett:** Mr. Speaker, I would like to introduce four amendments to the Planning Act. Although a new Planning Act will be introduced this fall, these amendments are needed in the interim to smooth out the land division process.

Two of the amendments are to section 29 of the act dealing with subdivision control. A new subsection has been added to make orders by judges that allow for partition of land subject to the subdivision control provisions of section 29. Despite an amendment to the act in 1978, which required that the Minister of Housing be notified of such application for partition, subdivision controls have been circumvented by making application to judges under the Partitions Act.

With the amendment, people who obtain a judge's order will have to apply to the appropriate consent-granting committee for a land severance. Another new subsection to section 29 states that the mutual agreements between owners on drainage matters are not subject to subdivision control. Section 29 was not intended to require consent for drainage, but rather an approval from the appropriate authority under the Drainage Act.

The third amendment is to section 42(6) to allow the land division committees and committees of adjustment to increase application fees for consent in minor variances to a maximum of \$100 from the current maximum of \$50.

The final amendment relates to section 42(16) of the act. This section has been amended to state, "Where the Ontario Municipal Board hears an appeal from a decision of a committee of adjustment or land division committee, the decision of the Ontario Municipal Board is final."

As members are aware, such matters as minor variances and consents to sever land can now be petitioned to cabinet for further consideration. Since these matters affect only one or two property owners, it is more appropriate that the final appeals should be to the OMB rather than to the cabinet.

## POWER CORPORATION AMENDMENT ACT

Hon. Mr. Welch moved, seconded by Hon. Mr. Bernier, first reading of Bill 86, An Act to amend the Power Corporation Act.

Motion agreed to.

## PRESCRIBED BURNS SAFETY ACT

Mr. Van Horne moved, seconded by Mr. Wrye, first reading of Bill 87, An Act to ensure the Safety of Prescribed Burns in Ontario.

Motion agreed to.

**Mr. Van Horne:** Mr. Speaker, the purpose of this bill is to ensure that prescribed burns are conducted in a safe manner. The bill provides for the appointment of a fire safety officer who is required to examine each place at which it is intended to set a prescribed burn.

Prescribed burns are prohibited unless permission is first obtained from the fire safety officer. The fire safety officer must refuse permission if, in the opinion of the officer, it would not be safe to set the prescribed burn. The bill contains a provision that extends the application of the bill to the crown.

## CONSUMER PROTECTION AMENDMENT ACT

Mr. Van Horne moved, seconded by Mr. Wrye, first reading of Bill 88, An Act to amend the Consumer Protection Act.

Motion agreed to.

**Mr. Van Horne:** Mr. Speaker, the purpose of this bill is to provide protection against the sale

of stolen property. The bill requires persons who deal in used goods to record the name and address of each person from whom they purchase used goods.

A dealer in used goods is prohibited from reselling the goods for a period of seven days after the date of purchase. If a dealer has reason to suspect that the used goods have been stolen, the dealer is under a duty to report the matter to the police.

### LEADERS' QUESTIONS

**Mr. Samis:** I rise on a point of privilege, Mr. Speaker. I wonder if I might call to your attention that today in question period, with our three leaders here, the back-benchers were able to ask four and a half questions, compared to Tuesday, when they were not here, and we asked 11 questions.

**Mr. Speaker:** Yes, I took note of that, and I am in sympathy with you. However, I do not think it is a point of privilege, and I suggest you discuss it with your caucus.

### ORDERS OF THE DAY

#### PRIVATE MEMBERS' PUBLIC BUSINESS TILE DRAINAGE

Mr. J. M. Johnson moved, seconded by Mr. Villeneuve, resolution 5:

That this House urge the Ontario government through the Minister of Agriculture and Food to allocate sufficient resources to permit the reasonable financing of tile drainage loans to more readily meet the needs of Ontario farmers, and to advance the provincial program for completion of province-wide tile drainage installation on agricultural land which is inadequately drained, resulting in a reduction in productivity.

**Mr. Speaker:** The honourable member has up to 20 minutes for his presentation, and he may reserve any portion of it for his windup.

**Mr. J. M. Johnson:** Mr. Speaker, once again it gives me great pleasure to introduce to this House a resolution I proposed last fall but which was never brought forth for debate owing to the dissolution of parliament early in the new year.

I am sure every member of this House will agree that Ontario's farmers are one of the most enterprising, innovative and productive groups of our society today. At the same time, farmers rarely receive the public recognition they so justly deserve. This government realizes and understands fully the contribution farmers make, and we fully appreciate the unusual circum-

stances confronting farmers as we enter the 1980s: horrendous interest rates, unstable market conditions, rising fuel and production costs and, finally, the constant market war and cheap foreign produce.

There has been a lot said by honourable members from both sides of the House as to what government should do, whether it is land-use policy, or prices, or emergency assistance programs. We do not have time today to debate all the agricultural policies but, as a rural member, I wish to reaffirm my support to our Ontario farmers, and I hope this resolution contributes in some way to the productivity of our farm lands and to the economic wellbeing of our farmers.

**3:40 p.m.**

Ontario farmers earned just over 30 per cent of Canada's total farm cash receipts, adding a projected \$4.5 billion to Ontario's economy in 1981. This is quite amazing when we consider the fact that only about four per cent of Ontario's population are actually farmers.

The continued vibrancy and expansion of the industry can best be achieved by developing new crops through research, by encouraging Ontarians to purchase Ontario-grown products, by increasing their export market and by improved farming efficiency and production. All of these programs and others introduced by this government have been designed to assist the farmers to do the thing that farmers do best, namely, produce and market food.

That is why for more than 100 years this province has encouraged farmers to increase productivity by improving the drainage of their land. When good drainage is added to good management practices, farmers can as much as double their agricultural capabilities. To date, drainage has been improved on about 3.2 million acres of land in Ontario. However, another three million acres still require improved drainage, and many of these acres are in my riding.

As a matter of fact, the reason I tabled this resolution was to bring the concerns of my farming constituents to this assembly. Every spring and fall I receive requests from many of my township councils for more money for the tile drainage program. I have 12 townships that require additional funding and have indicated their support for my resolution, including the county of Dufferin, the township of Nichol, the township of Pilkington, the township of Peel, East and West Luther, the town of Caledon, the county of Wellington and many more.

The reeve of West Luther, who is a very good



friend, Jack Lennox, estimates that only 10 per cent of his township is tile drained and that 90 per cent of land in West Luther classified as class two and lower could be upgraded to class one land if it were tile drained. Another very good friend, the former reeve of East Luther, Wilfred West, told me that his father tile drained their farm in 1914 when Wilfred was 13 years old and that he never remembers a year when they were not able to harvest their crops.

Unfortunately, that is not true of all the farms in the Luthers. In my riding of Wellington Dufferin-Peel many thousands of acres of land would and should be improved by tile drainage, and the sooner the better.

**Mr. Martel:** It makes sense. If only you could convince the government to do it.

**Mr. J. M. Johnson:** I hope so.

The installation of the drainage system requires a large capital outlay for most farmers, but the improved drainage will greatly increase the productive capacity of our total agricultural industry and permit the expansion of high-value crops in areas where agricultural potential has not been fully realized. The resulting increase in usable land would substantially increase the farmers' potential income. In turn, this will mean additional food processing facilities, and that will contribute to the value of basic commodities, reduce the need for imports and create more jobs for the people of Ontario.

The increased yield with the installation of proper drainage occurs because various factors that influence plant growth are directly improved. Tile drainage increases the amount of air in the soil, resulting in higher soil temperature, better soil structure, greater soil bearing strength, faster drying of the soil and improved availability of several plant nutrients and increasing water-holding capacities of the soil.

From an agricultural point of view, the changes in the soil that result from tile drainage mean higher and more stable yields of better-quality crops, the capacity to introduce new crops, lower machinery and production costs, reduced erosion hazards, increased disease and weed control and energy conservation. Most important of all, it means earlier planting dates and a longer growing season.

Over the last few years, Ontario farmers have utilized the tile drainage program for financial assistance to a point where the demand for loans now far exceeds the available funds. The rate of installation is approaching 200,000 acres per year. This is a tremendous rate of installation

and could only have been made possible with the introduction of plastic tubing and specially designed drainage ploughs in the late 1960s.

On this subject, I am pleased to mention to the members of the Legislature that the Tait brothers, John and Willard, of Grand Valley have designed a machine for laying tile that is much superior to most of the machines on the market today. They have already sold some of these machines in the United States and British Columbia, and I am working with the Ministry of Industry and Tourism in the hope that we can create an export market for the machines.

I have a letter from the Tait brothers. The Tait brothers are the tile experts in this part of the country. They live in the area of Grand Valley and East Luther township. In their letter, dated May 19, they mention that crops on drained fields in East Luther township are already planted and up, that undrained land is not planted yet as a result of poor drainage and that this will reduce the yield of crops by approximately 50 per cent.

I think that is true of much of the land in some parts of my riding. I hesitate to say some of them are wet and low lands, because one reeve took me to task. He said their lands are not really that bad. I answered, "If that is the case, why do you need tile drainage money?" If we call it high and dry, then we have a problem with gravel extraction.

In 1973, the level of assistance under the tile drainage program was just over \$4 million. In 1974, the funding had almost doubled and in 1976 the funding had doubled again; the level of funding at that point was \$16 million.

Restriction had to be introduced in the loan program limiting both the total expenditure by the government and the total level of assistance being offered to each farmer.

The Ministry of Agriculture and Food has budgeted \$25 million for the program this year, yet the results of a survey taken throughout the province indicate the demand for loans this year is in excess of \$50 million. We need more money in the tile drainage program. With a very reasonable interest rate set at eight per cent per annum, total funding for farmers is currently set at \$20,000 a year, with the total outstanding balance limit at \$60,000.

This is a matter of opinion, but I believe the support on a yearly basis is still too high with the funding we have available. I would prefer to have twice as many farmers receiving assistance, thus reducing the waiting list and having the installation of drains for each farmer spread

over a longer time period. Each farmer would receive the same total level of assistance, but this would encourage more farmers to take the financial risk and become involved in the tile drainage program. Better still, if the funding could be increased, we would have even more positive results.

Crop insurance statistics for the year 1979 have indicated 55 per cent of the land planted in grain corn is not tiled. If the land were tiled, the production of corn in 1979 would have increased from 143 million bushels to 174 million bushels. At current corn prices, this exceeds \$100 million per year. This could be added to the Ontario economy every year.

I am sure every member agrees we should encourage as many farmers as possible to become involved in the farm improvement program. At present, the government allocates funds to municipalities on the basis of past involvement in the program, and the ministry will reallocate funds based on the current year's applications.

I might mention that a letter dated May 15 says the minister has made a change in this program and that they are going to follow a new set of guidelines this year. I am not sure if it will be more beneficial or not; it remains to be seen.

**3:50 p.m.**

I believe the method of allocation we have had in the past does not encourage installation of drains in new undeveloped areas of the province, and I was encouraged by the throne speech announcement that greater emphasis will be given in the BILD program to the improvement of farms in northern and eastern Ontario.

I want to comment on the northern farmers. There was a paper presented to the agricultural seminar at the Skyline Hotel on February 4 and 5, sponsored by the Minister of Agriculture and Food (Mr. Henderson). The paper was presented by Claude Chartrand from the Timiskaming district. His paper is entitled Agriculture in the North. I want to read one page of this report.

**Mr. Wildman:** Best land in the province.

**Mr. J. M. Johnson:** Is it part of the member's riding?

**Mr. Wildman:** No, but it is the best land in the province.

**Mr. J. M. Johnson:** I want to quote from Mr. Chartrand's paper:

"Before looking ahead and making plans and establishing goals for the 1980s, I feel it is necessary to briefly look back at the changes

that took place in the north in the 1970s. On our farm in the early 1970s we were producing 40 per cent less milk than today and farming approximately 600 acres. We were purchasing 10 per cent of our forage requirements and 60 per cent of the grain requirements for an 80-cow dairy herd. Grain production was considered only to the extent that when a hay field was ploughed down, grain was a nurse crop to help control weeds in re-establishing a hay field. The necessity of late seeding and late harvesting, with the possibility of an early frost or wet fall, made the production of small grains a big gamble.

"In 1974, we started systematically tile draining our farm. It was a decision hard to make considering that at the time we could buy two acres of land for the cost of tiling one acre. We presently have 480 acres tile drained. With tile drainage, alfalfa became a very interesting alternative to trefoil, red clover and timothy. We are now getting three cuts of alfalfa in the form of haylage per year, the first cut around the second week of June, the second cut around the first week of August and the third cut around the second week of October. This is not a general practice in the area; a two-cut system is more popular.

"Feeding our herd haylage year round and switching to alfalfa has more than doubled our forage yields per acre and cut the nitrogen requirements for our forage. We also produce all the grain needed for a 90-cow dairy herd and have approximately 150 tons of barley for sale. These changes at our farm have also taken place at many other dairy farms in our area.

"Tile drainage and research in early seeding made at the New Liskeard College of Agricultural Technology in New Liskeard have also changed the picture of grain production in the north. We now prepare the soil for seeding in the fall, and in the last four years we have started seeding between May 6 and May 10. We have cleared and tiled 140 acres of land in the last five years—land that was so wet it would not even grow trees. In some areas, the muck soil was over 20 feet deep. Our extension branch office estimates that over 20,000 acres of land was cleared in the past five to six years.

"I must point out again that the changes in our farming operation are general in the district of Timiskaming and no doubt the potential is there in many other regions of the north."

Another problem with the current allocation system is that too often one or two large farmers in each municipality use most of the funds



allocated to that municipality. Many municipalities have realized this problem and have set limits on loans for individual farmers, thus providing assistance to more farmers. However, with the record high interest rates we are now experiencing in Canada, young farmers or smaller farm operators needing the help are having difficulty raising the rest of the financing. They may decide not to install drains at all.

I believe that in this period of severe financial pressure everyone in Ontario, including this government and the Ministry of Agriculture and Food, should be encouraging the farmers to install drains 20 to 30 acres at a time. This would mean spreading the total installation period over five or six years instead of the two or three years that is the case in some municipalities. I believe this is one solution to the problem. Of course, the best solution would be to increase the funding.

The ultimate goal of this government is to achieve a strong, stable agricultural industry and to see that Ontario attains food self-sufficiency as quickly as possible. Over the years, this government has tried to develop a partnership that has produced policies and programs designed to help farmers help themselves. The Ontario tile drainage program is one of these programs.

The goals of both the farmers and the government can be realized in the near future if sufficient resources to complete the installation of tile drainage in Ontario are allocated, thus reducing the present waiting list. If the loans to the farmers are provided at the present reasonable interest rates on a long-term payment schedule, overall farm productivity will improve and Ontario will realize its goals in agriculture.

Mr. Speaker, I do not wish to reserve any time. There are nine members who would like to speak; so I will forgo the rest of my time.

**The Deputy Speaker:** Thank you. I was just about to ask that. Mr. Riddell.

**Mr. Riddell:** Mr. Speaker, first I would like to commend the member for Wellington-Dufferin-Peel as one person on that side of the House who does take an interest in the agricultural industry in Ontario.

Perhaps this resolution is the result of a commitment the member made to the farm people in his riding during the recent election campaign in which he was trying to hold his own with the Liberal candidate, Elbert van Donkersgoed. The latter, without doubt, would have far more knowledge about the agricultural

industry by virtue of the fact he has been an active member of the Christian Farmers' Federation.

My other suspicion was that the member for Wellington-Dufferin-Peel had some insight into the Ministry of Agriculture and Food's future programs. If the Minister of Agriculture and Food (Mr. Henderson) at any time would indicate he was going to provide more funding for tile drainage, then the member could have gone back to his riding and said to the farm community, "Look what I have been able to do for you."

However, I think those of us who are going to be addressing this resolution are whistling in the dark.

As indicated in my question to the minister today, he has sent a letter to all the municipalities throughout Ontario encouraging them to reduce the percentage of loan which the farmers can get to 50 per cent of the total cost rather than the traditional 75 per cent.

That is in contradiction to the promises made in this Board of Industrial Leadership and Development program, in that it was indicated we should be putting more land into production, particularly in eastern and northern Ontario.

It was my colleague the member for Prescott-Russell (Mr. Boudria) who first drew my attention to this letter the minister had sent saying the government was going to cut the farmers back in tile drainage. So these promises are in complete contradiction to what is actually taking place.

I am certainly not holding my breath waiting for more assistance to the farmers from this government. Once again, the percentage of the total provincial budget devoted to agriculture has decreased.

In the 1980-81 budget, the expenditure for agriculture amounted to \$184 million of a total provincial budget of \$16.8 billion, or expressed as a percentage it amounted to 1.09 per cent. In the 1981-82 budget, the expenditure for agriculture amounted to \$191 million out of a total provincial budget of \$18.99 billion, or exactly one per cent of the total provincial budget.

This indicates to me that any change in the funding for tile drainage will be insignificant compared with the amount needed if the goal is, as the minister has stated from time to time, to make Ontario more self-sufficient in food production. We can do this only by increasing the productivity of our agricultural land, and I know of no other program than drainage that has a more dramatic effect on improving pro-

ductivity of land while at the same time reducing the energy requirement for land preparation, planting and harvesting of a crop.

#### 4 p.m.

Under the Tile Drainage Act, municipalities lend money at low interest for draining agricultural land and issue debentures to the Treasurer of Ontario. In 1979-80, loans totalling approximately \$30 million were made for 3,592 drainage projects. These loans were issued at six per cent annual interest. In 1980-81, loans totalling \$27 million—that is \$3 million less—have been committed. The interest rates on debentures were increased to eight per cent per annum. The maximum loan that an individual farmer can receive is \$20,000, and loans to individuals are not to exceed 75 per cent of the cost of the project.

The \$20,000 limit per farmer per year is very restrictive. As costs continue to rise, this \$20,000 becomes less beneficial to the individual farmer. Likewise, this limit is counterproductive to the larger farming businesses. I can appreciate that the government is trying to spread the amount of money it is prepared to allocate for drainage among as many farmers as possible. However, I do not feel we should penalize the efficient and successful large farmers.

Going back to the days of the select committee that made a study of the farming industry in Ontario and reported to the government in a publication entitled *The Challenge of Abundance*, farmers were encouraged to expand their operation so that they could more favourably compete on the world market by achieving the lowest possible cost of operation of their business. Many farmers in Ontario have expanded the size of their operation only to find that they are now limited in the amount of money they can borrow under the tile drainage program to drain their land.

Inadequate drainage, of course, is the one limiting factor to increased productivity and efficiency, and I personally do not think there should be a limit of \$20,000 per farmer per year or a maximum drainage loan for any one farmer of \$60,000.

I encourage the member to urge his colleague the Minister of Agriculture and Food to change the drainage loan policy and, rather than imposing limits, he should increase the funding for this program so that limits would not be necessary.

While the act reads that townships are permitted to lend up to 75 per cent of the drainage costs, not to exceed \$20,000 per farmer per year or a maximum of \$60,000 per farmer, many

townships use various means to spread the money available to them over as many farmers as possible.

Some townships limit the farmers to 50 per cent of their total drainage costs, and other townships limit the maximum loan for individual farmers each year to a fixed amount. Several townships in the area I represent, when asked to comment on the tile drainage program, indicated in general a lack of funds to meet the demand.

Whereas Blanshard township seems to have no problem with its allocation and it is always up to date on its loan application, Bosanquet township, in the Minister of Agriculture and Food's riding, is always short of funds and behind in its loan application.

Colborne township is always short. East Williams township is struggling to meet the requirement. Fullarton township is always short. This year, Fullarton has more applications for drain loans than ever. Ellice township is always short.

Hay township is always short. As a matter of fact, in 1980 Hay township's allocation was only \$193,000 and it could have used \$400,000. Hay township did receive an additional 1980 fund of \$38,000 in March, but that lapse of funding presented a hardship to the farmers as they had to borrow the money from the bank at a high rate of interest.

If the 1981-82 allocation from the Ministry of Agriculture and Food is the same as it has been in the past for Hay township, there will never be enough funds, since the township already has a backlog of undebentured invoices in the amount of \$108,000.

Hullett township so far has been able to cover all requests with the extra March allocation. McKillop township is short for the first time, with \$80,000 carried over for the 1981 allocation. Stanley township allowed only a \$6,000 loan per 100 acres per year and therefore it is able to stay within its allocation. Stephen township seems to be able to stay within its allocation, but it limits farmers to \$300 per acre, which is roughly 75 per cent of the cost of tiling an acre of land today. Usborne township has been able to meet its loan applications only when it gets the second allocation in March.

As you can see, Mr. Speaker, there are many farmers who have to borrow money from the banks at high interest rates because there is insufficient money available under the tile drainage program.

Some townships seem to be in a more favourable position than others, but I do not think it



was the government's intention to penalize the farmer because he happens to farm in a township where funds are limited. Once again, if the basic money available from the government to the townships was increased, all townships could provide the farmers with the same amount of money irrespective of where they live.

I have alluded to the fact that townships receive widely different allocations and it is my contention the method of allocating money among the townships should be updated. It is my belief the government would like to see all farms upgraded to their maximum productive potential. However, those farmers living in townships which have not done much drainage in the past are not given an opportunity to benefit very significantly from the government's tile drainage program.

The township that has not previously had much drainage work done is given a small allocation ranging from \$10,000 to \$20,000 a year. If only one farmer decided to drain in that township, the township's entire allocation could be used up. What happens to the second or third farmer in that township who would like to drain his land as well?

I realize that Ontario Ministry of Agriculture and Food personnel in Toronto check with each township towards the last half of the drainage season to see which townships have unused portions of this year's allocations. They attempt to redistribute this money to townships which have used up all of their allocations. Unfortunately, most township clerks try to hoard their allocations even though they have not used them.

This is counter-productive, as the townships and farmers requiring drainage loan funds never really find out until it is too late whether such funds are forthcoming. At today's cost of financing a business with borrowed money from the banks, I cannot see a farmer going ahead with a drainage project without knowing whether he is going to get a loan under the drainage program.

It was indicated in the Board of Industrial Leadership and Development program, already alluded to, that through land clearing efforts, selective drainage and farmstead improvements, one million acres of farm land in eastern and northern Ontario is capable of being upgraded into high quality agricultural land. To achieve such production, BILD indicated Ontario would establish an acreage improvement fund which would provide financing at favourable rates.

There was no mention of this fund in the recent budget, yet there is an increased interest

on the part of farmers in the development of farm land in eastern and northern Ontario. How can the farmers upgrade their land through drainage when they do not have ready access to drainage loans?

It does not seem right that a southern Ontario farmer can get \$20,000 per year from southern municipalities which in some cases were able to meet their requirements, whereas the northern municipality gets barely enough allocation for one farmer to drain his land by virtue of the fact the allocations are based on historical drainage trends within the township.

**Mr. J. M. Johnson:** Mr. Speaker, on a point of privilege: The honourable member made an accusation a few minutes ago that I introduced this resolution during the election campaign. He knows full well I introduced this in the last session, in November. I resent the implication it was introduced as a political manoeuvre.

**The Deputy Speaker:** I do not think any of your parliamentary privileges were abridged, but you had the opportunity of making the point.

**Mr. Riddell:** I would like to know what government assistance programs are available to the northern or eastern farmer for clearing his land, if we consider that the \$400 million committed over five years under the government BILD program to the resources sector, which includes agriculture, forestry and mining, could be used entirely on the drainage program for the one million acres.

Suspensions of government commitment to increased tile drainage are further supported by the fact there was no commitment to increase tile drainage loans in the throne speech or in the budget. I guess my time is up, Mr. Speaker.

**The Deputy Speaker:** That's right, it is.

**Mr. Riddell:** I did have a little more I wanted to say.

**The Deputy Speaker:** I know, you always do. Your time is up.

**Mr. Riddell:** I thank the member for his resolution and I heartily support his endeavour.

**The Deputy Speaker:** Terrific. Mr. MacDonald.

**Mr. MacDonald:** He is a hard man to stop, isn't he, Mr. Speaker?

**The Deputy Speaker:** He sure is.

**Mr. MacDonald:** For the record, I want to make certain it is noted that a few moments ago my colleague the member for Sudbury East (Mr. Martel) said, "We are with you, Jack: we just

hope the government will provide the funds," or some such phrase as that. Jack responded: "I hope so, too."

I think that rather sets the context for this debate. It is encouraging that we have a bit of a minor revolt on the back benches of the Conservative Party with regard to the inadequacy of tile drainage. There is an awful lot of talk about it, an awful lot of rhetoric associated with it. But clearly the people who come from ridings that are mainly rural are pressuring to a point where objections are being raised here from the government side of the House as well as from this side of the House.

#### 4:10 p.m.

However, let us get right down to the bottom line, and then I will go back and document the bottom line. If the objective that the honourable member has in his resolution is going to succeed—and the objective, of course, is commendable; it should be supported—then this government must at least—I underline at least—double the amount of money that is now available for tile drainage.

So every time you listen to the Minister of Agriculture and Food, when somebody talks about tile drainage and the amount of money, go back and repeat the figures. I will put them on the record just so you can have them. In the last six years the amount of money in debentures was \$16 million, \$16 million, \$18 million, \$17 million, \$29 million, and \$25 million. In addition, there was an increased subsidy ranging from \$1.9 million to \$3.4 million. In other words, roughly \$25 million to \$30 million is being spent.

I repeat that in order to meet the objective—and there is no point in praising the government when it is so far away from meeting the objective—the government must at least double the amount of money available. But it is not in the budget, so the government may well have introduced its resolution last November in preparation for the election. That was a good political move, I can see that: the honourable member knew who his opponent was and he knew he was going to be a farm spokesman. Do not chastise anybody for saying it was politically motivated; of course it was politically motivated. The member is not playing tiddly-winks; he is in the game of politics, and he has some farmers in his area so he introduces the motion. However, it has a lot to do with the motion.

Let me just quickly repeat figures that have already been put on the record, because I want to refresh the members' minds about the con-

text. As has been pointed out, according to the ministry's own estimates 3.2 million acres have been tile drained in this province and there are three million acres to be tiled. I will come back to that in a moment with an addendum—what I would call the Board of Industrial Leadership and Development addendum.

At the moment, improvements are going on at the rate of about 200,000 acres a year. However, one has to stop and realize that this does not mean the government is tiling 200,000 new acres each year, because on the average half of it is being used for maintenance, or—I do not know the correct term—to twin the tiling that used to be 40 feet apart and that now they are making 20 feet apart, and things of that nature. So only 100,000 acres of new land is being tiled; in the other 100,000 acres they are maintaining or upgrading the existing tiling.

It is interesting to note the variations in the different counties. For example, in Essex, 50 per cent of the tile is new and the other 50 per cent is for maintenance; in Kent, 38 per cent of the tile is new and 62 per cent is for maintenance; in Lambton, 84 per cent of it is new and only 16 per cent is for maintenance. So you have a real problem of catching up, of upgrading and maintaining what you have and then proceeding in order to get at these three million acres that still remain to be tiled.

In fact, given the technological life expectancy of drainage—it would be about 20 years, I am told by experts in the field—the rate of tiling must at least be doubled from 200,000 to 400,000 acres in order to bring all the tileable farm land under drainage before the year 2000. On the basis of this year's budget there is no prospect that this is going to happen. They are standing still, for practical purposes, in coming to grips with the three million acres that have yet to be tiled.

All of this is a reminder of the plan as we envisaged it in terms of retiling required up until now, but we have to take a look at the government's own projections in terms of expanding, even though they are not providing the money.

As has been pointed out earlier this afternoon in another context, in the Board of Industrial Leadership and Development program for upgrading farm land it says, "Through land clearing efforts, selective drainage and farmstead improvements, one million acres of farm land in eastern and northern Ontario are capable of being upgraded into high quality agricultural land."

The figures I have given, of three million



acres that need to be tiled and the requirement for doubling the existing budget to be able to do it between now and the year 2,000, do not include this one million acres in eastern and northern Ontario which were added to the program.

I say to my friend who has brought in this resolution that it is a noble resolution; it is a noble objective; I can understand why he is bringing it in, because there obviously has to be a lot more ferment and a lot more push from within the ranks of the government. They do not listen to us on this side of the House as much as they should. There has to be a lot more on that side of the House, otherwise they are not going to be able to meet the objectives of the tileage program as we have known it; they are not going to be able to meet the objectives of the expanded tileage program that is envisaged in BILG—BILD, rather.

**Mr. Wildman:** Bilge is a good name for it.

**Mr. MacDonald:** That was a Freudian error. The BILD program, and therefore the objective that is beyond the tiling—for which it is the facilitator, so to speak—the objective of achieving an increase in production and self-sufficiency in terms of production within Ontario and reversing the tendency to import more and more of our food, that objective is not going to be fulfilled.

I endorse the resolution that has been brought in. I emphasize that it means doubling the budget at the present time—indeed, it means more than doubling the budget to encompass what is in BILD, and therefore it is idle for government members to bring in this if they cannot get it back into their caucus and talk turkey to those people who have their hands on the moneybags of the province.

That puts the case as succinctly as I would like to and as I can, Mr. Speaker. There are others who want to speak, so I shall thank you and sit down.

**Mr. Villeneuve:** Mr. Speaker, I would like to support my colleague in this resolution. Although it is very easy to criticize, I realize the importance of good drainage, because we had crop failures in 1972 and in 1974 in eastern Ontario.

First of all, the farmers in my constituency alone have invested over \$20 million in open ditch drainage, but those who have tiled show beyond any doubt, even in those wet years, that they had a crop they could harvest, whereas the others were an absolute failure.

I have to agree with my colleagues on the

other side that there is not sufficient money being placed in tile drainage. This is not a handout, it is an accommodation that will help people help themselves. It is very true that we will have to secure a portion of the interest rate, which, after all, is very small in relation to the increased productivity it will give to the farmers who are operating those farms.

Twenty years ago we had problems growing anything in eastern Ontario except forage corn for silage, but a new species came out which took a shorter period of time to mature, and the result today is that we have many grain growing producers. Of recent years there has been a new species of soybean that takes a shorter period of time to mature.

There is a distinction between the eastern and western sections of the province as far as growing days go—somewhere in the neighbourhood of eight to 10 days at least. That is why it has not been able to be harvested as a profitable crop. But drainage is essential, according to experts who have tried it and produced good paying crops.

**4:20 p.m.**

Therefore, I submit that even if a supplementary budget is necessary for the Ministry of Agriculture and Food, this is the time to do it. After all, the interest rates the average individual has to pay almost prohibit undertaking indebtedness of this kind. Some \$20 million has been spent on open ditch drainage in my area, most of it in the last 10 years, and most of the farmers there are still paying on some debenture issues on that. Therefore this is something that is essential. I repeat, if it is necessary to put through a supplementary in the Ministry of Agriculture and Food's budget we should do it, because now is when the demand is.

I had a letter today about this, and I think the allocation in my area is something like \$68,000—they are promised the other \$68,000 somewhere around the latter part of August. But there are almost \$700,000 in applications and these are not from people who had tile drainage before; they are requesting tile drainage for the first time.

I repeat: it is helping people to help themselves. After all, it will only be a small assistance in the way of interest rates towards these people who are obligating themselves—they are honest enough to repay a debt. And if given the opportunity they will help the production of agriculture, not only in this province but in this country.

We in eastern Ontario at one time used to

import 75 per cent of our coarse grains. Today it is down to 25 per cent. If we can grow the soybeans on well-drained soil it will be down to at least 10 per cent. This makes a great difference in the operation of a family farm, or a farm of any kind, when one is paying off other obligations. Naturally the whole community prospers by having a prosperous agricultural community.

I strongly support my colleague in this resolution. I will go so far as to say I would strongly support a supplementary bylaw for more money if necessary, because I think the time to help them is now.

**Mr. Ruston:** I want to speak briefly on this, Mr. Speaker, and I want to support wholeheartedly the resolution we are debating, presented by the member for Wellington-Dufferin-Peel.

I come from an area that is pretty flat country. Many years ago the farmers saw the problems that were created when we started farming in that area. It is interesting to go back a little in history—and I see a little smile on the face of the member for Durham-York (Mr. Stevenson), who I understand is a farmer. I once heard my father and others talking about a farmer who would plough in the fall to get a small furrow in the ground. Then in his spare time all fall he would dig a trench about another foot deep and lay tile in it by hand. That was done in some areas and apparently some of the tiles are still there and still draining. The ones put in by hand have probably been there for 50 or 60 years.

Later someone invented a system of a metal chisel plough type of thing that had a knob at the bottom. They would pull that through the soil about 15 or 16 inches deep. They found that, because of the traction from pulling it through, it would leave a little hole. In some areas they found that would even drain the soil to some extent. So before there were any machines around, the farmers were trying to drain in many different ways, especially in the area we were in where the ground was so flat and had very poor drainage. Even at that time, they were trying their best to overcome the flooding problem.

Now, with the new chisel plough, they are not even using trenches in many areas. Last Friday, I noticed that a large field was done in my area. They do it so fast now with this new machine. It leaves about 15 inches of rough soil on top and the rest is where the tile itself goes. They are using mostly plastic tile in our area and apparently it is very smooth and does a good job. It is done very speedily now, compared to how long it took many years ago.

I can recall at the beginning of the Depression, when I was about 10 years old, my father bought a 100-acre farm. We had some other land but he bought that one at the time. He walked over the whole field. I was with him all the time and on all occasions, coming from a single parent family, the first thing he said was, "Son, we are going to tile this farm before we put a plough into it." Within two weeks he had the 100 acres tiled and then we went ahead and worked it.

That was 50 or 51 years ago. That farm has been retiled since. We tiled pretty far apart in those days, about four rods or 60 feet. Now most of the land in our area is tiled two rods apart.

The need for it is great. I think it was back in 1969 that we had the big floods in our area and the Minister of Agriculture and Food at that time, Mr. Stewart, made a tour of the area. It was a terrible situation. We are better protected now, because in the 10 years since then, many of the farms have been tiled and retiled. It takes an awful lot of money—we are all aware of that—but it is the only way farmers can be sure of a crop. There is crop insurance, but the farmer still wants to be sure he has done everything he can to make sure he gets a crop. He is not one to depend on insurance. He wants to be sure he has done everything he can to make sure he gets a crop. By having his land properly tiled, he can insure himself that way.

I know the Minister of Agriculture and Food (Mr. Henderson) is under a great deal of pressure now but I must say I am a little disappointed in his actions to date as the Minister of Agriculture and Food for Ontario. I know he rants and raves about the federal Minister of Agriculture and that is the political system. He can rant and rave but he also has a responsibility to his own people and I think he must admit to that. He is the Minister of Agriculture and Food for Ontario and his responsibility is to help the farmers of Ontario when they need assistance. I think he has to go to cabinet and use his clout to get his way.

If we were on the other side of the House and the member for Huron-Middlesex (Mr. Riddell) was our Minister of Agriculture and Food, I think my leader, who is sitting in the front row, would have quite a time turning him down when he insisted that we find some money for the farmers. I do not think my leader could say no to that auctioneer's voice and his determination to see that we have plenty of food in Ontario and Canada. I am sure the member would have a lot of clout in cabinet.



I just want to say that I am wholeheartedly in support of the resolution. I would hope, as the previous speaker said, it will mean an additional budget for the Minister of Agriculture and Food. In looking over that budget for 1980, 1981 and 1982, the minister has not increased it by very much. It is a very little increase over the previous year. That does not bode well for the farmers of Ontario. The minister should look at that. If he does have to supply another \$10 or \$15 million—and the interest rate difference is what he is paying, so it is not all that much, he is getting eight per cent back—all the members on both sides should support this resolution, and action should be taken on it as soon as possible.

**4:30 p.m.**

**Mr. Samis:** Mr. Speaker, I rise to speak in favour of the resolution, for many of the reasons outlined by the other members, especially my friend, the member for Stormont, Dundas and Glengarry (Mr. Villeneuve). I commend the member for reintroducing this resolution. I believe he introduced it in the last Parliament some time in November, but we never got to debate it on the floor of the House.

I think the member for Essex North (Mr. Ruston) brought out the point I want to stress in my brief remarks; that is, the question of cost. I think everybody supports the program and the intention. I hope if the government dares to say: "Sorry, there is no money for this. Yes, it is a good idea. We believe in tile drainage, but there isn't the money," the farming community of this province and the member who presented the resolution will make the government defend its record. The fact is it spent \$275 million on goodies in this recent election campaign. It gave away \$100 million in the last year to the pulp and paper companies of the province. It has foregone over \$200 million in tax revenues by various depreciation allowances and holidays and privileges given to the manufacturing sector in particular.

The government has spent over \$280 million on the North Pickering project; \$47 million on Townsend and probably a lot more to come; \$37 million on South Cayuga; \$14 million on those nebulous advertisements prior to the election and still going on, "Preserve it, conserve it"; and \$11 million on the infamous Minaki project. That is not to mention the amount of money that has been invested in Wesleyville and Lennox and the costs involved in closing down those two operations.

I trust the farmers of Ontario will realize the money definitely is there. The fact that the

government has spent over half a billion dollars on other things proves it is there. I am for this resolution. I believe the farming community today regards tile drainage as a major problem, but the single greatest problem facing the farmers today is the crushing burden of our sky-high interest rates. The fact that farm bankruptcies are up 77 per cent this year indicates how serious the problem really is. This government has refused to do anything serious, anything substantial, or anything to really try to help the farmers caught in this squeeze. That policy is a real disgrace and betrayal of our rural community.

In question period on Tuesday, my colleague the member for Brant-Oxford-Norfolk (Mr. Nixon) compared the record of this government with that of Quebec in terms of, first of all, overall spending on agriculture and, second, the assistance programs for farmers, especially in dealing with interest. He pointed out that Quebec had seven distinct interest assistance programs, along with the subsidies for livestock producers which are not paralleled by programs in this province. That stands out as this government's record.

In terms of the overall burden of interest rates, in reading an article in *Time* magazine last week, I was struck by one sentence in particular, in the May 18 edition, talking about the future of interest rates in the United States, the reserve board, et cetera. I quote: "Meanwhile, the effects of interest rates, which are as high as those once charged by Mafia loan sharks to their least credit-worthy customers, ripple through the economy."

To their least credit-worthy customers go Mafia-level rates. That is what the farmers of Ontario are facing today. We know bank profits are sky-rocketing, despite those smooth advertisements in the paper today, despite the denials that these are only temporary and things will level out at the year goes on. We in this party offered a program that would tax those excess profits, which would mean money could become available for things such as tile drainage and special assistance programs for the farmers.

But the Premier (Mr. Davis) of this province got up in the House this week and said his government's policy was not to tax them, not to touch them, to let the banks get away with whatever they could, the sky was the limit. The farmers were expecting some form of assistance in the budget, whether it was tile drainage or the interest problem. Again they were bitterly disappointed. In fact, the farmers of Ontario, like

other citizens of Ontario, are hit with higher taxes on their incomes, higher OHIP premiums, higher fuel costs, and higher alcohol and tobacco costs. The whole ripple effect of that on the economy means a higher cost of living for our farmers. Our corporations got off scot-free from this government. The farmers should remember that.

Interest rates are a crushing burden on our farmers. I believe this government should come to their aid, probably along the lines suggested by the Ontario Federation of Agriculture which has advanced a fairly reasonable and constructive series of alternatives. It advanced a short-term program, an interim program and a long-term program.

The short-term program, if I may quote briefly, is an eminently reasonable one. For example, it wanted the suspension of foreclosures and forced liquidations so that, "all cases be referred to an independent review agency before a banker or creditor may exercise his power of sale or foreclosure." The OFA also urged that, "the review process be backed by an emergency rescue program where the government would guarantee refinancing for farmers at rates of approximately eight per cent."

This would make the farm operation viable. It says, "that a portion of the farmer's debt be considered for forgiveness so as to bring the debt load to a manageable level for a long-term viability of operation with a possible alternative to bankruptcy." I think the long-term program is a feasible one, as well as the interim program.

That is something that would have helped the farmers of Ontario to cope with the crushing burden of interest rates.

I emphasize again that I support the resolution. I think its intentions are good, but the primary responsibility of this government now is to help farmers cope with the crushing burden of interest rates. If we had a fair tax system as well, the funds would be available for the worthwhile projects advocated by the member.

**Mr. G. I. Miller:** Mr. Speaker, it is a pleasure to rise and speak on the proposal put forth by the member for Wellington-Dufferin-Peel. It is good to see there are some members on the government side of the House who are concerned about agriculture. The response up to this point of the Minister of Agriculture and Food (Mr. Henderson) to the basic policy that has been put forth indicates clearly the government of this province does not really care all that much about the agricultural industry or about how important a role it plays on behalf of Ontario and Canada.

Ontario food production has been declining because 15 years ago Ontario farmers produced more beef, poultry, pork, eggs, dairy products and vegetables than we could eat. This is no longer the case. Ontario accounts for between 35 per cent and 40 per cent of Canada's imports of vegetables and products which total about \$1.5 billion.

A good example is the decision to use South Cayuga in my riding. There are 12,000 acres of good class one and two agricultural land which, because it is not properly drained, had its classification dropped under the new classification to class one, two, three and four land. If this government were really responsible in wanting to ensure we have adequate food production and adequate land for our young people to work in the future, it would certainly be taking a second look at that piece of property, would preserve it for agricultural land and would improve the drainage.

As the member pointed out, drainage is so important. The future use of that land depends on good drainage. That area is a good example of what has been neglected over the years. They have not had the opportunity to have that tile drainage provided because it has been allocated on the basis of previous use.

Haldimand-Norfolk in particular has had little tile drainage. I have a farm myself. We discussed this and thought about it for many years but we never used it until last year. My nephew put in tile drainage on clay land. It was done by using gravel and tile together. This spring it has paid off. I think South Cayuga could be an example if the government proceeded to use it on an experimental basis to show what could be done. It would affect that whole area of Ontario because we have the second-best heat units in Canada.

We have adequate water supplies. It is a natural. We have all kinds of industrial development going on. We can do without the use of this for a waste disposal site. I hope the members on that side of the House will try to influence the Minister of Agriculture and Food at least to take a look at that land and reassess it because it represents the future for our younger generation.

**4:40 p.m.**

It is no wonder our young people are leaving Ontario and moving to western Canada where there are job opportunities. This government has seen fit to get into land development themselves, to take away the rights of our young people so that they cannot get their hands on



anything. What do they do? They go where the opportunities are the best. As our House leader indicated the other day, Quebec has many programs to assist their farmers. What does this government have? Nothing. It will not even come up with an interest assistance program for farmers when they are going down the drain.

They put tax on tobacco, increase it on a percentage basis so they will not have to come back to the House, taking \$350 million directly into the Ontario revenue fund. Why could they not use some of that money for drainage improvements? The spin-off effects would not only help the farmers but would help the machine manufacturers. It would stimulate the economy as a whole and I believe that is the role for agriculture.

I want to commend the member for bringing this forward. I just hope in a few weeks when I have an opportunity of bringing in my own resolution, we will try to get young farmers back on the land and that the government will see fit to give some support to the agriculture industry as a whole in Ontario.

Thank you, Mr. Speaker.

**The Acting Speaker (Mr. Cousens):** Mr. Wildman.

**Mr. Wildman:** Could you tell me how much time I have?

**The Acting Speaker:** A minute.

**Mr. Wildman:** In that case, Mr. Speaker, I will indicate I am in support of this resolution. I would like to defend the member for Wellington-Dufferin-Peel against the slurs placed against him by certain members, because I know he has been a strong supporter of tile drainage for his area and other areas of eastern Ontario and northern Ontario for many years, as long as he has been in the House.

Frankly, I wish the Minister of Agriculture and Food had the same commitment to agriculture that the member for Wellington-Dufferin-Peel demonstrates. Only one per cent of the total budget is allocated to agriculture. As the member for York South (Mr. MacDonald) indicated, if we are really going to live up to that so-called promise in the BILD program to develop the one million acres available in eastern and northern Ontario for tile drainage, we are going to have to more than double the present amount allocated for the tile drainage loans. There just does not seem to be any commitment on the part of the government for

that kind of program. I wish the member for Wellington-Dufferin-Peel luck in persuading the cabinet to keep the promise of BILD.

**The Acting Speaker:** The member's time has expired.

## ENERGY PROGRAM

Mr. Smith moved resolution 6:

That this House disagrees with the government's continuing emphasis on electrical generation by nuclear power stations, and in particular the acceleration of construction of the Darlington plant, despite evidence which shows that such additional electricity will not be needed; and that this House believes that there should be a redirection of government funds to encourage conservation programs, as well as a massive program to develop alternative energy sources such as fuel alcohol for internal combustion engines.

**Mr. Smith:** Mr. Speaker, we live in such difficult times I suspect when most of us pick up the newspaper each day we get the feeling there is probably no government anywhere in North America, or possibly even in the free world that really understands what is happening to us in economic terms. Governments are flailing about with high interest rate policies and monetarist solutions and some are advocating low interest rate policies. Frankly I suspect most of us feel the average citizen and even the average legislator is just along for the ride. There is a certain feeling of helplessness one gets.

The interest rates and the economic problems are largely North American, if not worldwide. In Canada the very least one could say is they are federal policies, although they are just made in Washington anyway. It could legitimately be argued that the provincial government does not have its hands on all that many levers in terms of ways to affect the economic well-being of a society which is being buffeted by forces such as we have not known since the 1930s.

There is one area, however, where the province has an enormous opportunity, by making the right decision, to affect the lives of our own people, not only for now but maybe for a generation or two. It could increase employment and utilize the scarce resources we have intelligently. The wrong decisions can place us in enormous debt, can utilize our resources so inefficiently as to leave us paying for our mistakes maybe to the end of this century, if not beyond.

I am very pleased, therefore, that the Minister of Energy has taken time to come to the House to hear my remarks, and I thank him for taking that time. I hope we may have the opportunity for dialogue on the matter. The resolution I have presented today should not be regarded in any way as anti-nuclear. My own belief is that nuclear energy is here to stay. While I am sure many of us are frightened of the implications of waste disposal, and many of us feel that perhaps the entire business is incompletely understood, I doubt very much that we can turn back the clock or that we should wish to do that. I, for one, accept that nuclear energy is part of our energy mix, and I am pleased we have nuclear energy. I want to be very clear about that.

What I take exception to, what I take issue with, is the notion of devoting billions of dollars to the construction of a single nuclear station—namely Darlington—when even a fraction of that money utilized in more creative ways could actually create more energy. It could not only create more energy but energy of a sort better suited to the real needs of Ontario. I truly believe if we persist in borrowing some \$6 billion to \$10 billion, which is likely to be the eventual bill for Darlington—most of which will probably end up borrowed on the American market, but even if here the interest rates will not be a whole lot different—if we insist on putting ourselves into debt a billion dollars or more a year for the construction of a plant that is not needed, then future generations will rue the day that mistake was made.

I want, therefore, to discuss in the presence of my friend, the Minister of Energy, alternative uses for that money. I do not want to gainsay the efforts made by the minister to move into the fields of alternative energy sources. There has been some recent increase in funds devoted to those matters and I know he personally is interested in the development of these areas. I would ask him to be honest with himself, however, and recognize that the amount being spent on energy sources it should be investigating and promoting is 2.3 per cent of the cost of Darlington itself. This is not even counting the cost of the debt we will incur in borrowing to build Darlington, but just speaking of the capital expense itself. Put another way, the government is spending 44 times as much on Darlington as it is on alternative transportation fuels, renewables and conservation—in fact, 88 times as much on Darlington itself as on alternative transportation fuels.

We do not have an energy crisis in Ontario. I

have stood and said this in this House year after year. We have an oil problem in Ontario and the notion that we have to spend billions of dollars and speed up the spending of these billions of dollars on an already overbuilt electrical generation system is, to put it charitably, crazy when the problem we have is not with electricity. The problem we have is with oil and particularly with oil as it is used in the form of gasoline or diesel fuel to move vehicles about the roads and streets of this province.

**4:50 p.m.**

Any effort we make to continue overbuilding an already overbuilt system will not solve that problem. For reasons I do not understand my friends at the Globe—with whom I see eye to eye on some matters lately, strangely enough—seem to be totally taken with this nuclear alternative and electricity itself. I simply cannot fathom why it makes sense to build Darlington when any reasonable forecast and any sensible way of looking into the future tells us we will still be 25 per cent over the 25 per cent reserve even including Darlington. We do not need an additional generation plant.

Members do not have to take my word for it. They can take the word of the Ministry of Energy itself, in writing off \$160 million when it shut down Wesleyville. I know the Minister of Energy in his private life would be as frugal as I and would think twice about even writing off \$1.60 let alone \$160 million. But he said about Wesleyville—which was to be an oil-fired plant when studies show that it could have been used as a coal-fired plant—there would be no need for that generation capacity. If there is no need for Wesleyville, why is there a need for Darlington? The fact remains that these billions of dollars should be used in other ways.

There is one more point I want to make. That is that nuclear plants—and the minister understands this I know—are most efficiently used for base loads. When it is winter or late night or whatever and we have peaking demands, we have to fire up the coal plant. At this very moment when people use electric heat it is the coal plants basically providing that electricity because it is being peaked in winter. The nuclear electricity is used as base load, as is the hydraulic—as I am sure the minister understands.

To try to justify nuclear on the basis of home heating is to use nuclear in the most inefficient way imaginable. To try to use nuclear somehow as a peaking device—starting and stopping the



plants—will be grossly inefficient. Hundreds of millions, even billions of dollars will be wasted in the attempt to do so.

What we must look at in Ontario is an energy policy based on two basic concepts. Once we accept that electricity is very important but that we have enough of it, the basic concepts are conservation and alternative fuels. We should seize the opportunities now to move into the area of conservation as a source of energy in itself. When we save a kilowatt it is just the same as if we have produced or generated a kilowatt. We must do what the municipalities of Ontario recently asked and put conservation on a basis that is equal to the generation of energy. We should give it the money, resources, and personnel it requires.

I will not get into a discussion of the ads. They are very amusing and all, but that is not a conservation program. A conservation program requires very significant investments of money, but far less than the building of a nuclear plant. In fact, if we were serious we would find that with conservation, for every dollar we would invest we would save \$4 in fuel of one kind or another.

Look at Ontario's policy. The lack of commitment is epitomized by the fact that since 1973 the United States has cut its overall energy consumption by more than 13 per cent, while Ontario's overall energy consumption has continued to grow. The US is far from the world's best example of conservation but it is way ahead of Ontario.

Conservation is likely to be the cheapest, the safest and the most productive energy alternative readily available in large quantities. A study done in Long Island, New York, showed that a \$6 billion investment in conservation and solar energy provided twice as much energy for end use consumption as a \$7 billion investment in nuclear power. Over a 30-year period, the conservation and solar package created 178,000 jobs, as opposed to 72,000 created by the nuclear investment.

We are not talking pennies. We recognize that billions will have to be invested in whatever we do to meet our energy requirements. But I beg the minister to consider that borrowing \$6 billion to \$10 billion to build a nuclear plant that is not required in an already over-built system is not the sensible way to invest money. A much smaller investment of a few billion over the course of some years in conservation and alternative fuels would pay far greater dividends in terms of actual energy produced and jobs created.

I say this with all the sincerity I can muster. There is no election coming up; it is too late for me to win votes on this issue. But I implore the minister to recognize the wrong-headedness of an approach that puts billions more into electrical generation at this time when we already have enough. It allows him therefore to neglect—not totally but by comparison—alternatives that would be better.

There are ways in which we could emphasize conservation, even in electricity. It looks to me as if we are back in the business of promoting the usage of electricity. It is awfully tough when somebody knocks on the door and promotes the use of electricity and then somebody else knocks on the door to promote conservation. The average citizen has a lot of trouble reconciling Live Better Electrically with Don't Turn Off a Friend, Turn Off a Light Switch—and now there is an incentive to go back to electricity.

It is pretty difficult for the ordinary citizen, because the truth is the government has not had a consistent policy in this regard. I understand it has been buffeted by the winds of energy problems and it is pretty tough to get hold of any moorings. But I ask the minister to recognize he has a little time now to assert himself in his role and take a stand in favour of common sense.

Common sense means we should move into conservation, even in electricity. For instance, we should not be charging less for electricity the more one uses: we ought to be charging more for electricity when people are using an excessive amount. Similarly there should be off-peak electricity charges, just as we have on the telephone system—where you would get a break on the electricity rate if you used it off-peak. Then of course it does not have to be specially generated by fired-up stations.

I believe we ought to have the same thing in our residences they have in Sweden, and I ask the minister to consider this. That is a mandatory test on new houses which would provide a fuel economy rating. It is a 24-hour airtightness test. When you buy a house you get a rating as to what kind of energy efficiency is there in terms of its ability to keep the heat inside, or to be air conditioned efficiently. It is the same as buying a car—one knows how many miles he is likely to get per gallon. One should have the same thing when buying a house. They have it in Sweden. It is not difficult. We ought to have that as a rating factor here in Ontario.

In the industrial sector—cogeneration of electricity. Surely the minister must realize that Hydro is the biggest stumbling block in the way

of that. Hydro even refuses to buy electricity generated by anybody other than Hydro, except in the rarest instances.

**5 p.m.**

Twenty-seven per cent of all West Germany's electric power is produced by industrial firms. All kinds of waste heat is going up the chimney here that could produce electricity without our having to raise one finger to build Darlington. The only thing standing in the way is that Hydro charges industry so little for electricity right now that the rest of us subsidize the large industries. They ask, "Why should we get into cogeneration?" They can buy it so cheaply it is not worth it to them to put even a penny of investment into cogeneration. Until Hydro deals with that rate structure they are really wasting electricity.

Now I want to speak about the alternative of fuel alcohol. The problem to which we should be devoting our billions of dollars is not the problem of generating electricity but the problem of how to move our cars and trucks around the road. Right now we are moving those with oil-based fuels coming from outside Ontario at higher and higher prices, and they are very scarce fuels indeed. We must not imagine that we can run those on electricity, because one needs a very long cord to do so.

The only way we are going to move our vehicles around is with a portable liquid fuel. Propane is a possibility and compressed natural gas is a possibility, but in both of those Ontario's interest is borderline. They are better than oil, granted. But consider fuel alcohol. We have all kinds of marginal land that can produce bush, wood and crops, all kinds of land in northern Ontario and in eastern Ontario just waiting to be utilized to produce a biomass with which we can produce fuel alcohol. This will create tens of thousands of jobs.

There was a day when Ontario led Canada and the world in a good many ideas, including the generation of electricity. Now Brazil, of all places, is producing 380,000 passenger cars that are driven on 100 per cent alcohol. They are producing six billion litres of alcohol. The United States will be producing 18 billion litres of fuel alcohol by 1985. This is not pie in the sky; this is not some imaginary program. This can be done in Ontario. We can use the wood waste that is now cluttering the forests and preventing the proper regeneration of trees. We can do what the Swedish government has done. It has entered into a deal with Volvo to develop a dual-fuel vehicle. The West German government is doing so with Volkswagen.

In summary there is not much we can do about high interest rates, inflation and all the worldwide problems, but we can make a move for sanity that might be the most important economic move Ontario could make right now in 1981. Instead of investing further billions in Darlington, which is not needed, we must invest our billions in conservation, in fuel alcohol or in other portable fuel alternatives. We must do so immediately and in the same numbers we have been ready to hand over to the empire builders at Hydro to further expand an already-overexpanded system. It is the most important thing the government can do. I implore the minister, therefore, to accept the basis of this resolution and to act accordingly.

**Mr. MacDonald:** Mr. Speaker, the resolution expresses disagreement with the government's continued emphasis on the generation of electricity by nuclear power, and particularly the acceleration in the construction of Darlington despite the evidence we have that there is no need for this additional electrical capacity.

Let me put a few facts on the record. This is a repeat from yesterday morning in the resources development committee, but I think it is well for the House to be aware of it.

According to the six-month acceleration of the program imposed by the Board of Industrial Leadership and Development, Darlington generating station is going to be completed in the years 1988 to 1990. According to last year's long-term load forecast, which was in the range of 3.4 per cent to the end of the century, Darlington would not be needed for the system until 1992-95. In other words, Darlington is to be totally completed a year or two before its first units of power will be required on the system.

This year we have discovered that Ontario Hydro has reduced its long-term load forecast from 3.4 per cent to 3.1 per cent. The fourth unit of Darlington will not be needed until 1996-97. It is going to be completed some six years in advance of its fourth unit being needed.

Let me remind the House what has been happening to electrical energy consumption in Ontario. Whereas traditionally there used to be a seven per cent increase every year, the year before last it had dropped by half to 3.4 per cent. The actual increase last year was 2.9 per cent, the year before it was 2.7 per cent and this year the increase is 0.8 per cent, less than one per cent above the consumption of a year ago.

The select committee on Ontario Hydro affairs brought in a report and informed this Legislature that in its considered view, having



listened to all the testimony, the long-term forecast in Ontario was likely to be in the range of two to three per cent to the end of the century, and not the 3.4 per cent Hydro predicted a year ago or the 3.1 per cent this year. Hydro is gradually facing the reality the select committee pointed out to it, that the load increase is likely to be in the range of two to three per cent to the end of the century.

The key point is this: If our load forecast drops to two or three per cent, Darlington will not be needed until the years 1996 to 2004. Those four units will be required in that eight-year span. The honourable member was correct when he said we misjudged our electrical power needs during the 1970s for reasons that had some legitimacy.

We were caught in the 12- to 15-year lead time needed to build new plants; so we built excess capacity. There may have been some excuse for it, some rationale for having been caught in that fashion, but there is no excuse for continuing to build an oversized system so that we complete Darlington some six to 14 years ahead of the time its power is needed.

Let me move to the alternatives suggested and to which this money might be redirected. On conservation, the key point for the layman to realize is this: It costs less to conserve one kilowatt of power than it does to build the generating capacity to produce a new kilowatt of power.

Obviously, it is plain common sense not to borrow money as though it were going out of style to build new generating capacity, particularly to build nuclear, which is the most capital-intensive kind of generating capacity, when by an expenditure of a smaller amount of money we will save energy all across the board.

The government is spending \$1.5 million to bolster its rhetoric and its information program. In my kind moments I say it is propaganda; in my unkind moments I say it is something even more. It is spending \$1.5 million on its information program to get the story out. I wonder if the general public of the province realizes that this year Hydro's new capital needs are \$2.3 billion. That is primarily for an expansion of the system, and the expansion is primarily overwhelmingly nuclear and very costly. Why are we not redirecting some of that money to intensify the conservation program?

**5:10 p.m.**

Yesterday we heard from Hugh Macaulay, the chairman of Ontario Hydro, that one has to have the will to conserve. I agree one has to

have the will to conserve. There is plenty of evidence that there is not only a will to conserve now but, indeed, also quite an incentive to conserve as prices rather thrust one along the way.

But if one is going to turn the will to conserve into actual conservation, there have to be the financial incentives; there has to be provision of the financing. Only now in the government's rhetoric are we getting around to considering how, by financing through the Hydro administrative structure, we might assist home owners and others to conserve that power.

Again, a redirection into the other areas of conservation of some of that monumental \$2.3 billion that is going to be required by Hydro this year would be far more productive than building new generating capacity that may not be needed for six to 14 years after it is completed.

Let me say, in the final portion of my remarks—and I say this seriously to my friend the Leader of the Opposition (Mr. Smith)—if we are going to get to first base on this issue, we have to come to grips with the basic argument of Hydro. We had it again yesterday.

What on the surface looked like a pretty devastating case was given to me by Milan Nastich yesterday. It involved a comparison of the unit energy costs for producing power at Pickering and for producing power at Lambton, a coal-fired plant; it may be difficult to grasp this, but let me put it on the record for those who want to read it afterwards.

In the instance of Pickering, in 1980 the interest and depreciation was 6.07 mills per kilowatt-hour; for operation and maintenance, it was 3.77 mills; for heavy water, 0.44 mills; for fuel, 2.33 mills; for a total of 12.55 mills per kilowatt-hour. In Lambton, the interest and depreciation was 1.94 mills; operation and maintenance was 1.57 mills—heavy water, of course, is not there; it is a coal-fired plant—fuel was 17.57 mills; for a total of 21.08 mills per kilowatt-hour.

The point that Hydro is making is that the total cost for the capital, the maintenance, the fuel and everything at Pickering is 12.55 mills; the cost for fuel alone at Lambton is 17.57 mills.

So they draw the conclusion, "Let's build more nuclear plants." The ultimate objective will be to close down Lambton, Nanticoke and everything that is coal-fired. They have started to build a coal-fired plant up at Atikokan, and they are going to shut down half of it before they get it half constructed.

There is an interesting misjudgement inside a three-year period. This is the thrust; this is the argument.

The tragedy of the situation—I say this to the minister with all the seriousness I can summon—is that we cannot come to grips with this in two or two and a half hours before a resources development committee. We cannot come to grips with it in a debate in this House in which one speech follows another.

The only way we are going to come to grips with it is in a select committee on Hydro or energy. I have no objection if it is broadened to energy so we can get witnesses and find out the answers one way or another. We can make a report to the House, a substantive report that will counter the propaganda effort—

**The Acting Speaker (Mr. Cousens):** Your time has expired.

**Mr. MacDonald:** Good. When God speaks, the archangels have to hearken.

**Mr. Barlow:** Mr. Speaker, I welcome the opportunity to participate in this debate, particularly since it provides me with an opportunity to endorse the energy strategy of the government of Ontario.

As I interpret this resolution, it implies that there is undue emphasis in Ontario on nuclear power, to the exclusion of conservation and alternative energy. This, of course, is totally wrong. Nuclear power—in fact, all forms of electrical generation—is only one of many vital components of Ontario's energy strategy. Crude oil makes up about 41 per cent of Ontario's primary energy needs. This amounts to one third of all crude oil consumed in Canada, yet less than one half of one per cent of this crude oil comes from within Ontario.

Our goal in Ontario is to raise our capacity to produce more of our own energy needs from our present level of about 22 per cent to 37.5 per cent by 1995. Therefore, the government has promoted the development of a variety of alternative fuels, as well as embarking on an ambitious conservation program.

Actually, I believe that conservation and planned expansion of nuclear capacity complement each other in the context of Ontario's energy situation. Both allow us to reduce our use of fuels produced outside our national and provincial borders, in particular, oil.

We all know that Ontario has few fossil fuels, but we also know our province is blessed with the ability to produce electricity through nuclear and hydro power, both indigenous resources.

On the other hand, to pursue the Liberal energy strategy would have enormous real effects on the economy.

One would think that any such shift in government policy would benefit from open public consideration and criticism. One would think any party leader who is committed and dedicated to such a path would relish the opportunity to place such a bold new plan before the people.

My question is, why did we not hear of such a plan during the past election?

**Mr. J. A. Reed:** You heard of it first five years ago.

**Mr. Barlow:** No, not during the election campaign.

**Mr. J. A. Reed:** Come on. You've been hearing about it for five years.

**Mr. Barlow:** Wait. They did not come into Cambridge and say, "We want to cut down the nuclear power." They did not come into Cambridge and do that, nor did they come into Pickering and say that.

**Mr. J. A. Reed:** If you'd spent some time reading Hansard over the last few years, you'd know it was the policy. This is old news.

**Mr. Barlow:** They did not come into Pickering, Deep River or Cambridge and say that.

Mr. Speaker, nuclear generation is an effective and commercially viable option.

**Mr. Sweeney:** We sure said it in Kitchener.

**Mr. Barlow:** They did not say it in Cambridge.

**Mr. Sweeney:** Well, they said it right north of you.

**Mr. Barlow:** We have within our province uranium ore that will last many generations. The mining and fabricating of this fuel provides some 5,000 to 8,000 jobs. It is an important part of our northern economy. We have the manufacturing capability to build reactors. Eighty per cent of the reactors are made and produced right here in Ontario, with an extra 10 per cent of the construction throughout the balance of Canada. In other words, only 10 per cent of the Candu plant needs parts from outside of Canada. This provides about 40,000 directly related jobs and another 60,000 indirectly related jobs.

My riding also has a significant stake in nuclear energy. Babcock and Wilcox is the largest boiler manufacturing company in Canada. It does an average of about \$100 million worth of business per year.

**Mr. Kerrio:** They got repeat business on the same boilers.

**Mr. Barlow:** That was something else. We will get into that later.



The nuclear portion consists of 15 to 25 per cent of all their business. Babcock and Wilcox has supplied more than 184 nuclear steam generators for domestic use. They are the largest employer in Cambridge and contribute more than \$20 million in payroll to our city's economy each year. Employment is expected to stabilize at about 1,600 employees in Cambridge.

It has been estimated that one in 12 working households in Cambridge has someone working at Babcock and Wilcox. Some of these families have been working there for four generations. Perhaps the Leader of the Opposition (Mr. Smith) now realizes why the Liberals have such a good track record in Cambridge.

**Mr. Laughren:** Careful. You haven't been here very long. You may be just an overnight visitor.

**Mr. Barlow:** Do not count on that either, my friend. We are going to bury the NDP next time around.

**5:20 p.m.**

The Candu system is a most effective and efficient electrical converter of uranium into electricity. Our reactors have capacity factors that are 20 to 30 per cent higher than the others—

Interjections.

**The Acting Speaker (Mr. Cousens):** Order.

**Mr. Barlow:** The other feature is on-line fuelling capacity. All other reactors have to be shut down to be refuelled.

Candu's lifetime performance record is nothing short of exemplary. In a rating of world reactor performance, six of the top seven reactors were Ontario Hydro Candu reactors. The cost of electricity produced from these reactors is attractive even at today's prices.

Nuclear power is cost-competitive with oil heating. We are now seeing a temporary stabilization of world oil prices, but I do not believe anyone in this chamber will suggest oil prices are going to drop in the future. Electrical home heating is going to remain.

The Leader of the Opposition has built his resolution on a false premise. I cannot understand why the discontinuation of nuclear energy generation and a redirection of funds towards fuel alcohol are considered in the same breath. I do not believe there are any energy experts around who believe alcohol fuels can replace nuclear generation of electricity for space heating or lighting purposes. Alcohol surely has a

place in our energy mosaic, but I suggest it will never take the place of any method of generating electricity.

During the past election campaign, the Leader of the Opposition attempted to be all things to all people. Apparently he did not learn from the results, because he is repeating the same mistake. Before one gets rid of a proven method of electrical generation, one had better have a replacement. It is obvious from the wording of the resolution that this is not the case.

There is no question we will need electricity in the future, and I want to discuss some alternative means of generating electricity. In Ontario at present we use approximately 35 per cent hydraulic, 30 per cent coal and 35 per cent nuclear. Our remaining hydraulic capacity can meet only a portion of our future needs and we are all aware of the hazards of burning coal. We do not want to increase Hydro's use of coal. Besides the acid rain problem, Ontario does not have coal resources. It must be brought from the United States or from Alberta.

As far as solar power is concerned, it may one day meet many of the electrical needs but that day is some distance off. Although solar panels are now available, they are inefficient converters of sun rays to electricity and are still very expensive.

Wood is the other alternative that has been discussed and is a source that can be utilized, but it is also an extremely inoperative method at the present time.

**Mr. Sweeney:** What is inoperative about it if you cut the tree down?

**Mr. Barlow:** I will tell my friend why. If one studies the concept of wood-burning for electricity production, one cord of dry wood weighs one ton and will provide 16 million BTUs of heat or one third of a ton of methyl alcohol. As fuel, it will provide 1,200 kilowatt-hours of electricity worth three cents a kilowatt-hour, or \$36 here in Ontario. As methanol, it will provide energy equivalent to 35 gallons of gasoline worth \$1.25 a gallon, or \$47.

However, if it is converted to pulpwood for papermaking, it will fetch about \$400 to \$500 or, if it is sold as firewood for heating a home, one cord will fetch about \$90 to \$120. In other words, more profits can be generated by other uses.

**Mr. Speaker:** Your time has expired, Mr. Barlow.

**Mr. Barlow:** Thank you, Mr. Speaker.

**Mr. J. A. Reed:** Mr. Speaker, I don't know who wrote that speech for the member for Cambridge. I wish he had pre-read it so that he could put some of it into his own words. If he stopped to reason through some of the phrases we heard in it, I think he would have considered the matter somewhat differently.

Surely the Minister of Energy (Mr. Welch) did not write that speech, because he agrees with the Liberal principle in terms of energy development. He believes we must approach our energy future on the broadest possible base. We cannot afford to confine our investment to one energy source, electric power, and in the case of this resolution, nuclear electric power.

We know we cannot do that, and we know that as we are doing it today we are sowing the seeds of the destruction of the nuclear industry. We are inflating a big economic bubble that cannot be sustained because of the reduced growth in electric power consumption in this province and the prospects for reduced growth to the end of this century.

Surely the member for Cambridge understands that if he wants Babcock and Wilcox to continue producing boilers it has to be done with some rationale. He cannot start firing in a whole bunch of money temporarily now only to experience a total economic vacuum in the 1990s when nobody is looking for nuclear generators any more because there will be such a surfeit of electric power in Ontario.

Surely he understands that electric power is useful; that it is essential for supplying some services. Surely he understands it does some jobs extremely well. I hope he understands it does other jobs less well. And I hope he understands it does other jobs very poorly.

One of the jobs it does poorly in terms of thermodynamics is its application to resistance electric heating. If he feels that somehow we have come across some saviour in nuclear-produced electricity that will heat our homes and drive our cars, I have news for the member for Cambridge. We had better reform the select committee on Ontario Hydro affairs or reconstitute it as a standing committee on energy to educate the member for Cambridge. If he knew what he was talking about, he would not be making speeches like that. I hope he goes back to his speechwriter and shows him the flaws I think he now knows are there.

We talk about the cost to the consumer in Ontario if we are going to promote resistance electric heating. I looked at some figures published by the Ministry of Energy yesterday. In

terms of unit cost of energy sources that are available to the people of Ontario, natural gas is available at a city-gate price, according to the ministry's figures, of \$3 per million BTUs. Electric power is available on the same comparative basis at \$9 per million BTUs.

When Darcy McKeough was making his speech to Rotary the other day, he said gas was 30 per cent cheaper than electricity. He was being awfully generous to the electric power segment of our energy mosaic. If one factors in a little bit for the difference in efficiency of conversion, it is still more than two to one. The prospects for gas exceeding the cost of electric resistance heat are very remote in this generation.

What this resolution of my leader is trying to bring home to the government and to the people of Ontario is the fact that we have to get some sanity into the way we approach energy. The minister is now at last paying lipservice to those approaches. He restated his commitment to conservation yesterday morning. I am awfully glad. I wish he would put his money where his mouth is, because he is not doing that. He found he got a budget cut in conservation before the budget was even presented for scrutiny.

The way energy is being approached in Ontario now is in total disagreement with so many of our areas of commerce. Certainly the gas utilities are not very agreeable with the kind of propaganda and so on that is being used to justify the overexpansion of the electrical utility. The Ontario Municipal Electric Association itself went on record at its annual meeting calling for equal emphasis to be given to conservation—equal emphasis, it says. That is the OMEA; so just remember that.

**5:30 p.m.**

The minister is talking about some myth that this party was trying to replace electric power with alcohol—which is nonsense; sheer, utter nonsense. The minister should know that an investment in motor fuel alternatives in Ontario would be one of the greatest employers that this province could have, and the drive towards energy self-sufficiency in this province could rescue Ontario from its position as tenth and last and put it once again in the forefront of this great country.

I do not mean to be so upset, Mr. Speaker, but we have gone around this block before and we always get the same kind of convoluted rhetoric. What is said in this resolution is the truth; it is right, and it is right for Ontario. It is right for the economy of Ontario; it is right for Babcock



and Wilcox; it is right for the future employment there and the financial vitality of Cambridge in the year 2000—not just this year, not just next year but a generation from now.

Perhaps the member is not interested in the economic health of Cambridge a generation from now, but there are people in this party who are interested. We are looking a little bit farther than the ends of our noses; we are looking at the longer term.

This resolution disagrees with the continuing emphasis on this type of generation. It is not because we are opposed to nuclear power. It is because we are opposed to waste, because we are opposed to inefficiency and because we are opposed to cost overruns. It is also because we are opposed to this growing monolith which will say to us by the time we reach 1990 that we cannot afford to invest in the options; we cannot afford to go to the alternatives, because we spent all our money on Darlington. That is what this resolution means.

If there ever was a time when the approach to energy has to get out of its stranglehold—the stranglehold of a confinement to one source, to putting all the eggs in one basket—now is the time. The other day I told the minister that it is time for a Minister of Energy in Ontario to walk where people have not walked before, to stand with courage, to stand up alone, and not to follow the crowd in polls but to move ahead of the crowd. He will find himself alone, everything he does will not be necessarily correct and everything will not be thoroughly successful, but he will launch Ontario on the road of economic security, energy security and restore its place in this Confederation.

**Mr. Laughren:** Mr. Speaker, I do hope that the previous speaker found time to speak to the Liberal candidate in Algoma-Manitoulin during the last two weeks of the election about this whole nuclear question.

I am pleased to engage in this debate this afternoon. I want to commend the leader of the official opposition for putting this resolution on the Order Paper. I should state at the beginning that I come at this within the framework of the policy of my party, which states: "That we would declare a moratorium on any further expansion of the nuclear industry until such time as the safe disposal of byproducts and the safety of those projects themselves are assured."

I want to begin, if I may, by quoting from a fellow Socialist, a fellow by the name of Albert Einstein. This is what Albert said: "The splitting

of the atom has changed everything, save our mode of thinking, and thus we drift towards unparalleled catastrophe."

**Mr. Nixon:** He thought the whole thing up.

**Mr. Laughren:** That is right; that was the anomaly of the whole thing.

The nuclear industry is a dangerous industry, owing to the presence of concentrated forms of very large quantities of radioactive material which pose serious threats to our health and safety. These dangers can occur at all stages of the fuel cycle: in the mining and milling of uranium, in its transport and enrichment, in its use in power stations and in the transport and disposal of the waste. If there is a radiation danger to those involved as workers or to nearby residents, it can occur at any of these stages. It can affect people themselves or their unborn children.

A common thread and threat is the exposure of living things to radiation. Our exposure may be direct, as a result of a nuclear accident, or it may be indirect, as small amounts of radiation are carried by the wind.

Let me focus first on the initial step of the nuclear fuel cycle. Approximately 4,000 workers are employed in uranium mining and milling in Canada. Professor James Ham of the University of Toronto in his report on the health and safety of workers commented on how the miners of Elliot Lake develop lung cancer at twice the rate of other Canadians. An Ontario Ministry of Health study indicates that for uranium miners between the ages of 40 and 60 the risk of lung cancer was even greater. Uranium miners in this age group have lung cancer rates of up to five times the expected rate for that age group.

A comparison of rates of cancer among uranium workers and among the general population greatly underestimates the consequences of uranium mining. The rate of lung cancer deaths among uranium miners has been shown to be two to five times that of the general population. Deaths by cancer among the general population are already epidemic, and these cancer deaths among the general population are themselves largely the result of environmental contamination. Thus, the standard of health of the general population is a poor standard with which to compare the deaths of uranium miners.

Nuclear energy involves significant risks to the general population, primarily from low-level radioactive substances routinely escaping into the environment of nuclear installations. Let me refer to a 470-page report on low-level radiation

that was recently published by the British Columbia Medical Association. On page 283 of that report they say: "In light of the present state of knowledge one could well view the allowable exposure to the public from nuclear facilities as tantamount to allowing an industrially induced epidemic of cancer."

Nuclear energy also presents serious risks of major accidents that could—I emphasize could—have tragic consequences. A reactor meltdown could result in several thousand immediate deaths and tens of thousands of later cancer deaths. Talk of odds of one million to one against a major accident is sheer nonsense.

In its interim report on nuclear power, the royal commission said that in considering the probability of a nuclear accident at a Candu power plant the nuclear critics were more realistic than the nuclear industry. The report said: "Assuming for the sake of argument that within the next 40 years Canada will have 100 operating reactors, the probability of a core meltdown might be in the order of one in 40 years if the most pessimistic estimate of probability is assumed."

The report concludes that a realistic probability for a Candu meltdown is about one in 10,000 per reactor per year. With 12 reactors operating near Toronto alone—eight at Pickering and four at Darlington—each operating for 30 years or more, the probability of at least one core meltdown in the Toronto vicinity becomes one divided by 10,000 times 12, because there are 12 reactors, and then times 30, because it is 30 years. That works out to a ratio of one in 28, which is just a bit larger than the probability of rolling snake-eyes with two dice.

And if, as is suggested by Dr. Gordon Edwards, who is from the Canadian Coalition for Nuclear Responsibility, the Porter commission estimates happen to be low by a factor of five—and this is a distinct probability—then the probability of a nuclear disaster at one of these plants near Toronto could drop to one in six, which is the probability of rolling a one with a single dice.

The nuclear fuel cycle also creates radioactive waste for which there is as yet no proven method of safe disposal, and this waste poses an inestimable danger to future generations. Continuation of the nuclear expansion and the speculation that the waste problem will be solved is an unjustifiable leap of faith. All these risks must be balanced against the expected gain in alternative ways of creating energy.

5:40 p.m.

Nuclear power now provides only 1.3 per cent of Canada's delivered energy—and I emphasize energy. This is less than one third of the energy that is produced each year on the west coast by the burning of hog fuel, which is a term used to describe uneconomic forest residues. Even Mr. Arthur Porter, the born-again nuclear evangelist who has changed his mind about nuclear development, admits that by the year 2000 nuclear energy can realistically provide only three per cent of Canada's total energy needs.

Canadians must surely ask why we take such risks for a mere three per cent of our total energy needs. Upon reflection, this nation might conclude, as did the 1973 Pugwash Conference on Science and World Affairs: "Owing to the potentially grave and as yet unresolved problems relating to waste management and radioactivity released arising from accidents, natural disasters, sabotage or acts of war, the wisdom of a commitment to nuclear fission as a principal energy source for mankind must be seriously questioned at the present time."

We in the New Democratic Party believe our Warm Up Ontario program, which we released in the last couple of months, is a responsible and realistic route to take. It is like the sorcerer's apprentice: this province is currently acting upon dangerous and incomplete knowledge. Nuclear power is an unnecessary and unacceptable risk. Any further expansion of the industry in Ontario is completely unjustified.

**Mr. Kolyn:** Mr. Speaker, it is indeed a pleasure for me to be able to make a few comments on this resolution. I will confine my remarks this afternoon to the section of the resolution calling for "a massive program to develop alternative energy resources such as fuel alcohol for internal combustion engines."

As I am sure the honourable members are aware, on February 3 of this year the Minister of Energy (Mr. Welch) announced a five-year, \$75 million program to develop alternative fuels to petroleum for transportation. This program includes fuel alcohol, ethanol and methanol, but it goes far beyond the limited scope and vision of the program outlined by the Leader of the Opposition (Mr. Smith). I will return to the ministry's alternative fuel program in a moment, but first I want to examine the opposition's proposal.

As the honourable members will recall, the Leader of the Opposition in March 1980, a little more than a year ago, released a report which had as its goal 100 per cent replacement of gasoline by methanol as a fuel in Ontario. At



that time the proposal was judged by many to be uneconomical in terms of cost of production, unrealistic in terms of plant construction goals and impossible in terms of available feedstocks.

Evidently the opposition reassessed its position over the past year and agreed with this assessment, because now its proposals have been modified considerably. Instead of the 100 per cent conversion to biomass based on methanol in five years, it is suggesting a 50 per cent conversion in 15 years, replacing only half as much fuel and over a period three times as long.

I could detail a number of errors in the opposition's calculations regarding the number of plants needed to meet its declared goals and the number of plants that could be built by 1985 related to the cost of production and the available feedstocks. I could also drive a truck through the proposed strategy to utilize the fuel in the transportation sector.

I am not here to refute calculations one by one but to examine the overall impact of a program such as the opposition proposes given the realities of Ontario's energy situation. It is in this overall impact that the proposal is found to be seriously wanting. It is wanting in that it is a narrow program in scope. If pursued, it could be highly dangerous for Ontario's energy security.

The Leader of the Opposition wants us to devote all our resources to a gamble—a gamble that production of methanol using wood as a fuel stock will be a viable alternative to gasoline in the near future.

At this time there are no commercial-scale alcohol plants of the type envisioned by the Leader of the Opposition operating anywhere in the world. Yet the opposition would have us pursue alcohol, particularly methyl from wood, as an alternative fuel to the exclusion of all others. Certainly methyl from wood has a place in Ontario's transportation energy future—but so do electricity, propane, compressed natural gas and hydrogen, to name just a few. This is where our strategy and the program differs significantly from the opposition's. We are tackling the energy challenge on a broad front rather than on a narrow one.

What we are facing is transition from the petroleum economy of the twentieth century to what many consider to be the hydrogen economy of the next century. This transition period is a bridge, and the fuels that will provide this bridge are many and varied. Some, such as propane, are commercially available now. The techniques and equipment for converting fleets

of vehicles are commercially available now. The opportunity to buy and use propane is there right now.

Propane has a major role to play in the immediate future. In fact, under budgetary incentives put in place by our government, it has already begun to help Ontario lessen its dependence on gasoline. We have recognized this, and propane is included in the alternative transportation fuel program. Our Drive Propane project has as its goal the conversion of 40,000 vehicles in Ontario to propane by 1985. This is practical, economical, technically feasible and it is within our grasp right now. Methyl from biomass is not.

Other fuels that will help us in the short term include compressed or liquefied natural gas. These are also included in our alternative transportation fuels program. We are encouraging conversion of urban bus systems from gasoline or diesel fuel to electricity through the Urban Transit Development Corporation. We are committed to the electrification of the GO Transit system, and we are investigating the possibilities of converting other train systems.

Honourable members should not infer that the government is ignoring longer-term options based on indigenous resources. We envisage a great future for electricity for powering transportation. Several major companies are at work developing electric vehicles. One company expects to have an electric vehicle on the market in competition with the conventional automobile by the late 1980s.

In co-operation with Ontario Hydro under the alternative transportation fuels program we will be encouraging Ontario industry to become involved in work such as this, but in the near term we expect electricity's major contribution in transportation to be in the field of mass transit. Our overall goals with the alternative transportation fuels program are to replace two per cent of the gasoline used in Ontario with alternative fuels by 1985 and to replace a full 10 per cent of the gasoline by 1995.

I have been dealing here mainly with the alternative fuels that will provide a bridge to the hydrogen age. But what of hydrogen itself? Last year, the Ministry of Energy established the Ontario hydrogen energy task force, and its report is expected shortly. Under contract to the Urban Transportation Development Corporation, we are undertaking a major development program designed to produce prototype urban buses fuelled by hydrogen.

Under the BILD program, we are committed

to the establishment of an institute of hydrogen systems. We are confident these systems, combined with Ontario's excellent electrical generating systems, will put this province in the forefront of the hydrogen era.

This is the range of choices with which we are faced, from propane conversion today to hydrogen as a fuel in the twenty-first century. There is no doubt that fuel alcohols will have an important part to play, first as a gasoline extender, then as the alternative fuel in fleet applications and, in the case of ethanol, in farm-related energy usages. Through the Ontario Energy Corporation, we are working on their development as part of a broad overall program for alternative fuels.

**5:50 p.m.**

It would be irresponsible in the extreme for us as a government either to neglect valuable near-term alternative fuels such as propane, electricity and compressed natural gas or to neglect major long-term options such as hydrogen to concentrate our efforts in resources solely on fuel alcohol from biomass.

This is not merely my opinion or the opinion of the Ministry of Energy; it is the opinion of all the groups that have seriously examined Canada's alternative fuel options. The most recent of these is the report *Energy Alternatives* by the House of Commons special committee on alternative energy. I draw the attention of the Leader of the Opposition to the chart on page 77 of that report. It supports in spades the policy position set out by the Minister of Energy in its alternative fuels strategy documented last February.

**Mr. Speaker:** Your time has expired, Mr. Kolyn.

**Mr. Kolyn:** Thank you.

#### TILE DRAINAGE

**Mr. Speaker:** Mr. J. M. Johnson has moved resolution 5.

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

#### ENERGY PROGRAM

The House divided on Mr. Smith's motion of resolution 6, which was negatived on the following vote:

**Ayes**

Boudria, Breaugh, Breithaupt, Bryden, Cas-

sidy, Charlton, Cooke, Copps, Di Santo, Edighoffer, Grande, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Martel, McKessock; Newman, Nixon, O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Riddell, Ruston, Samis, Smith, Spensieri, Stokes, Swart, Sweeney, Wildman, Worton, Wrye.

**Nays**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McLean, McNeil, Miller, F. S., Piché, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Timbrell, Treleaven, Villeneuve, Watson, Welch, Wells, Williams, Wiseman.

Ayes 36; Nays 55.

#### BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, pursuant to standing order 13, I want to indicate to the members of the House the business for the rest of this week and next week.

Tonight and tomorrow, the House will engage in the budget debate.

In the afternoon of Monday, June 1, we will debate the NDP motion of no confidence, and on Monday evening we will do legislation—second readings of bills 81, 76, 72, 73, 77, 70, 69 and 67.

In the afternoon of Tuesday, June 2, we will deal with the committee of the whole House stage of Bill 48 and, when that is finished, continue with second reading of any legislation not completed Monday evening. During the evening sitting of Tuesday, June 2, which will begin at nine o'clock rather than eight o'clock, we will continue with second reading of any legislation that has not been completed in the afternoon.

On Wednesday, June 3, three committees may meet in the morning—resources development, general government and administration of justice.

On Thursday, June 4, in the afternoon, the House will deal with private members' ballot items 6 and 7 standing in the names of Mr. Martel and Mr. G. W. Taylor. On the evening of June 4, the House will debate the plant shut-



down committee draft report which will be before us for consideration.

On Friday, June 5, we will continue with legislation. The legislation to be dealt with will be the second readings that are still left of the

list of bills which I indicated earlier, followed, if necessary, by any committee of the whole House stages of those bills if necessary.

The House recessed at 6:02 p.m.

## APPENDIX

### TRIBUTE TO FORMER SPEAKER JOHN STOKES

**Mr. Speaker:** I am very happy that so many of you have turned out to pay tribute and say thank you to John Stokes, the former Speaker and the MPP for Lake Nipigon—I didn't forget that—who has done a tremendous job under extremely difficult conditions. I think that is fair enough to say, Jack.

Not only did he do a tremendous job, but he also gained the respect of all the members in the House. Jack, I say that very sincerely, not because you are here or your wife is here or your friends are here, but because I really sincerely mean that.

The Premier is next on the agenda. I understand he has a 20-minute prepared speech.

Interjections.

**Hon. Mr. Davis:** Mr. Speaker, Mr. Stokes and members of your family—Jack—and members of the House and guests:

I, of course, completely agree with what the Speaker said, Jack, about your activities, except to disagree on one aspect. I can only speak personally; I thought that I had made a very real effort to make your task really quite simple during the past period of time. I can't think of anyone in the House who interjected less, who confined his answers to brief "yeses" and "nos" during your tenure as Speaker of the assembly, and I just have to disagree with you, Mr. Speaker, when you suggest that Jack had to operate in difficult circumstances.

I can't think of any easier situation than where you have a minority, with two opposition leaders who have no political ambitions in mind, who are totally co-operative, never anxious to precipitate any controversy. I thought it was one of the easiest periods I have experienced here at Queen's Park. I really think you had a piece of cake in terms of your responsibilities, and if you believe that, you will believe everything else I say, which most of you do anyway.

But, Jack, it is a great pleasure, on behalf of the government and our own caucus, to participate in the traditional ceremony, the hanging of the portrait of the Speaker of the assembly. It

was a great pleasure to meet the young lady who painted this portrait and to have her assurance that unlike some portraits I have seen—which I will not name—in a few moments when it is unveiled we will recognize that it is a portrait of Jack Stokes.

I would like to say to Lynn Donoghue, in advance of seeing this work of art, how much we appreciate your talent and the fact that you have, in fact, painted a resemblance of our former Speaker.

Jack, I said in the House—and I don't want to repeat it all again today—how much I appreciated, quite sincerely, the way you conducted the affairs of the assembly, the example that you have established, and the very fair way in which you handled what were, in fact, very onerous responsibilities. It is a great pleasure for me to say this on behalf of the government and our caucus and to wish you well in the future, whatever that future may be.

I shouldn't say this with Mr. Cassidy here. Really, Michael, you should understand that Jack is far more of a free enterpriser than he is prepared to acknowledge on most issues—no, I am only teasing, Jack; I only sense that from the things you say. You have to have a little fun outside the House.

**6:10 p.m.**

I understand I am to unveil the portrait after Dr. Smith and Mr. Cassidy have made their observations, at which time I will be delighted to play a part in showing the world just what great talent the artist has, and what a very distinguished-looking gentleman you, Jack, will be for ongoing generations who can come here and admire that very distinguished, handsome gentleman, Mrs. Stokes, whom you are fortunate enough to be associated with—only the good fortune is on his side and not yours.

**Mr. Speaker:** Thank you, Mr. Premier. You seem to be on the defensive tonight. I did not say anything about the distribution of members when I said "difficult conditions." However, I would like to draw attention to the fact that while Jack has performed a very notable job under, as I said before, somewhat difficult

conditions, his good wife, Mrs. Stokes, deserves a lot of the credit. I am sure Jack would not have been able to stand up to the pressures had he not had the support of his good wife. I would like to draw that to everybody's attention.

Having said that, I now call on Dr. Stuart Smith who is going to give us a nonpartisan address.

**Mr. Smith:** Mr. Speaker, as usual, as I almost always do, I want to agree with the Premier. I was a little worried, I have to admit—I guess I did not listen carefully—when I heard something about Jack Stokes being hanged at Queen's Park. I thought that was just a trifle strong. There were times, mind you, when the notion was fleetingly discussed in Liberal caucus; but only fleetingly, I assure you.

We are delighted that Jack is being honoured in the traditional way by having his portrait unveiled. I thought you were looking a bit pale until I was assured that it was not yet unveiled. The artist, of course, deserves our congratulations. It is always better to give those before you look at the painting. Some of the most flattering comments made about my speeches were made before I gave them, I can assure you.

I want to pay tribute, as well, to Mrs. Stokes. I honestly believe Jack's contribution was an extremely important reason that the minority Parliaments functioned reasonably well. I think he showed great wisdom and a sincere desire to be fair to all sides. Even though we had our occasional differences on minor points, I honestly think Jack made a great contribution to the process of government and he has our love and our respect. I hope to be able to regard Jack as a friend for the rest of our days.

To Jack, to the family and to the artist, thank you very much and congratulations.

**Mr. Speaker:** There is another lady here who deserves to be recognized, because without her none of this would have happened. I call attention to the fact that Jack's mother, Mrs. Brown, is here. We are very pleased to have you and thank you very much for joining us. I call on Michael Cassidy.

**Mr. Cassidy:** Mr. Speaker, when I first came into this building—it must have been about 30 years ago, I suppose, as a school child in Toronto—and later as a university student and then as an MPP, what I noticed was that if you wanted to really arrive as far as Queen's Park was concerned, you had to have your portrait on the walls. If you look around you can see these

distinguished gentlemen—no ladies that I know of, as a matter of fact—who have their portraits here—

Interjections.

**Hon. Mr. Davis:** Michael, I knew you were never as committed to the monarchy as he is. I mean, I made speeches for 44 days about it.

**Mr. Cassidy:** That is true, yes—and nothing else either, Mr. Premier.

**Hon. Mr. Davis:** I should not interject—it worked.

**Mr. Cassidy:** I was going to say that Jack Stokes is the first Socialist to have his portrait up on the walls of Queen's Park. I had hoped I would find a way of having mine up here one day as well, but that may not happen—

Interjections.

**Mr. Cassidy:** It has taken 114 years since Confederation to get Mr. Stokes's portrait up on the walls of Queen's Park, and I certainly hope it will not take an equivalent amount of time before the next Socialist portrait goes up on these hallowed and tradition-enshrined walls.

I want to say as well that Jack Stokes has been one of the finest Speakers the Ontario Legislature has known over the course of those 114 years. He will go down in the record of this Legislature not just as the first New Democrat to be the Speaker but also as the first opposition member to be Speaker of the House and also as the first member from northern Ontario.

He will go down in the annals of the Legislature as the Speaker who presided over a period of enormous change in the way the Legislature functioned, as the control of the administration of the Legislature was transferred to the Board of Internal Economy and to the Legislature itself and away from the direct hands of the government. He distinguished himself for his independence and his impartiality; Jack, I was thrown out of this place three times in seven years before you came along, and not once while you were the Speaker.

He distinguished himself as well in the way he represented Ontario to other parliamentarians and other Speakers across the province. I think he earned an enormous amount of respect not just for himself and not just for the chair in the Legislature but also for Ontario. For all those reasons it is a pleasure for me on behalf of the New Democrats to participate at this unveiling. I also want to congratulate you in advance, Ms Donoghue, for the portrait, which I know will merit our applause when we see it in a minute's time.



I, too, want to say a special word to Helen Stokes, because her lot has been a difficult one in the last three or four years, with Jack having to be here almost every day the session was sitting. Most of the out-of-town members can sneak away occasionally on a Monday or a Friday in order to be with their families and back in their home ridings when the House is sitting; but that was not the case with Jack, who was pretty constant in his attendance and keeping the minority parliament under control.

Thank you, Helen. Jack, thank you. It is a pleasure to be here to honour and to pay tribute to you for the excellent job you have done. It is a job well done, brother.

**Mr. Speaker:** Now, Jack, if you would join me I think we are going to have a kind of Christmas here. All our friends and colleagues in the House have joined together and been able to mark this event with an appropriate gift. You just do not know how appropriate it is in my case, because—I will comment on it afterwards, but I just want you to know that we very much appreciate what you have done. The feeling is very personal—there are no two ways about it. Otherwise all these people just would not have been here. I think that is a tremendous mark of respect to you personally. I just wanted to make that point.

Without further ado, I think the green one is first. I might say there was a great deal of agonizing to get the right colour.

Unwrapping of gifts.

6:20 p.m.

**Mr. Stokes:** Am I supposed to open this now, Mr. Speaker?

**Mr. Speaker:** If you would like. It is almost a shame to open it, is it not?

**Mr. Stokes:** Yes, it is. Like most things in the Speaker's office, this was extremely well done. Oh, it's beautiful. Oh, isn't that beautiful. Thank you very much.

[Applause.]

**Mr. Stokes:** Thank you very much.

**Mr. Speaker:** You are very welcome. Being a former railroad man, I knew you would appreciate a timepiece. It is all the more appropriate because it recalls the day I called the first votes on private members' hour. I did it without regard for the time, so it has a special meaning for me as well.

There is something else from the assembly.

**Mr. Stokes:** This is something I have wanted

all my life. I don't know how many hundreds of meetings I have chaired and have never had a gavel I could call my own.

[Applause.]

**Mr. Speaker:** Now, Mr. Stokes, having regard for the fact that it is private members' afternoon, you may take over.

**Mr. Stokes:** I want to thank the Speaker, the Premier, Dr. Smith, Mr. Cassidy, other parliamentary colleagues, family, ladies and gentlemen. It is always a pleasure to be able to say how much one appreciates an opportunity to serve in the way in which I have been given such an opportunity over the past five and a half years as Deputy Speaker and Speaker of the Legislature of Ontario. You really can't appreciate the way in which it broadens one's horizons, makes one much more tolerant, more understanding and, above all, a much better listener. That has been my experience, especially over the past three and a half years.

Among other things it has given me an opportunity to appreciate to a much fuller extent what parliamentary democracy should mean to all of us. From time to time in the chamber we have our differences in emphasis, in degree and in priorities. I don't think any of us have any differences about what our responsibility is down here, collectively and individually, on behalf of the eight and a half million people in Ontario who sent us here to do a job.

The system we have is not perfect. It will only work if you and I, with the help of everybody in Ontario, really want to make it work and to improve upon it so we can continue to act as a model for those less fortunate. Mr. Speaker, you will learn very quickly in your role as president of the Ontario branch of the Commonwealth Parliamentary Association the many ways in which we can show leadership in fostering a better understanding among the world community of nations, particularly those belonging to the Commonwealth, where one billion of the world's population go to bed hungry every night because of our inability to share with those less fortunate.

It is an excellent opportunity for you, Mr. Speaker, as our leader and our chief representative of the assembly, along with all of us, to make a very meaningful contribution to the lifestyle for not only people in Ontario but those whom you and other members of the assembly will be associated with certainly over the length of this next parliament. I want to thank all of you for giving me the opportunity to acquire that kind of perspective and that kind of depth that I see

in the role in which you play, sir.

I would also like to take advantage of this opportunity—the first one I have had—to say how much I appreciated the co-operation that I received, not only from all of the members of the assembly but from all the staff. The last time I counted there were something like 550 employees who liaise with the Office of the Assembly. This place works because you people are dedicated to making it work.

All too often the members think government and everything that goes on around here revolves around just the 125 members who happen to represent the electorate. I happen to think that on most occasions it works, and it works well, because we have so many wonderful and dedicated people here, who are here 12 months a year and contribute in a very real and significant way towards the whole democratic process.

Finally, I would like to add to the sentiments expressed by the Premier, Dr. Smith and Michael Cassidy on the way in which my family, particularly my wife, Helen, have been so supportive of me and what I attempted to do, not only in the three and a half years that I had the privilege of serving in the chair, but during the 14 years that I have had the pleasure of serving the riding of first Thunder Bay and now Lake Nipigon. It is often said that behind anyone who shows any success at all, there is always a very intelligent wife. I have been blessed with a very intelligent, supportive wife who has encouraged me every step of the way. Without her, it wouldn't have been possible.

To everybody who in any way contributed towards parliamentary democracy and making my chore as the Speaker a little bit easier, I would like to say very sincerely and from the bottom of my heart, thank you very much. Thank you for these wonderful gifts.

Mr. Premier, I have been asked for the last

week what was going to happen to me today, whether I was going to be undraped or hanged. I don't know. I don't look forward to either of those prospects, but I understand you have something to do right now.

Thank you, one and all, for your co-operation.  
[Applause.]

**Hon. Mr. Davis:** You are neither going to be hung nor undraped; you are going to be unveiled, all being well.

[Unveiling.]

[Applause.]

**Mr. Speaker:** Thank you very much, Mr. Premier and Jack. The suspense is over, and I would like to say to Lynn Donoghue that it is a remarkable portrait.

Interjection.

**Mr. Speaker:** I say that with all sincerity. It is very, very nice.

Now, Jack, we have something else that is a bit of a memento, in the tradition of the Speaker's portrait. It is a copy for your own house of the same as is on the pedestal here. It includes a bit of a rundown of Lynn Donoghue and John E. Stokes, MPP. We would just like you to have this to go with the painting that hangs in your house.

**6:30 p.m.**

**Mr. Stokes:** Thank you very much. I neglected to mention that this little ceremony has much more of a northern flavour than I even expected. Lynn was born in Red Lake.

[Applause.]

**Mr. Speaker:** I am told, for those who are interested, that there are refreshments in room 228. For those of you who are not familiar with the building, it is down that way and around the corner. Thank you.



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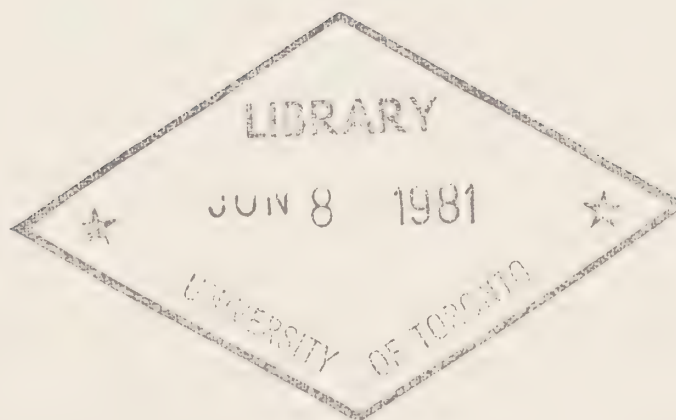


Ontario

No. 31

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Thursday, May 28, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, May 28, 1981

The House resumed at 8:03 p.m.

## BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

**Mr. Laughren:** Mr. Speaker, I would not in a million years dream of calling a quorum if I were not the first speaker.

The Acting Speaker (Mr. Cousens) called for the quorum bells.

8:07 p.m.

**Clerk of the House:** Mr. Speaker, we have a quorum.

**The Acting Speaker:** Thank you.

**Mr. Laughren:** Mr. Speaker, this whole fiasco is the fault of His Whipship the member for Windsor-Riverside (Mr. Cooke), who distributed to our caucus a list of who our speakers were tonight; so it is his fault, not mine. Perhaps the fact that I distributed a copy of my speech in advance had something to do with it as well; I am not sure.

I am very pleased to take part in this debate on the 1981-82 provincial budget, presented to us by the Treasurer (Mr. F. S. Miller) last week. As the former Treasury critic for my party, I have a continuing interest in the fiscal and economic strategies of this government. I might add that I enjoyed that role very much and gave it up with a great deal of reluctance; although I must say the budget response by my colleague the member for Algoma (Mr. Wildman) was truly excellent and not only carried on the tradition of this party of criticizing the government for its budgetary policies but also laid out some very realistic alternatives on our part.

**Mr. Kerrio:** Do you want some help from this side now, or do you want us to be quiet?

**Mr. Laughren:** No, no. I figure that with our numbers here the odds are about even, given the quality of the people on this side. There are exceptions.

I believe the Ontario economy is in trouble. Only a fool would deny that. Come, where are

the denials? From what I have seen over the number of years I have been here, there is one thing that characterizes this government and its budgetary policies. It plays a reactive role to economic problems; it seldom, if ever, takes preventive medicine to look after the problems in the economy out there.

I do not see a single clue in this budget that tells me this government has any sense of what is going on in the world around us out there.

8:10 p.m.

**Mr. Piché:** You have two minutes left.

**Mr. Laughren:** Pardon? No, I can speak for an unlimited length of time this evening. There are no restrictions on the length of time I intend to speak. If the members from the north across there persist in heckling me, I shall be forced to read into the record all the NDP policies dealing with the problems of northern Ontario.

**Hon. Mr. Ashe:** That won't take long.

**Mr. Laughren:** Let me tell my friend something. I wish the member for Sault Ste. Marie (Mr. Ramsay) were here tonight. Does my friend know what came out of Sault Ste. Marie a couple of years ago? It was called Book of Beefs. I think it was from the Sault Ste. Marie Chamber of Commerce. It was that thick — my fingers are two inches apart, for the Hansard record — and it was a litany of the beefs of northern Ontario residents about the policies of this government.

**Mr. Lane:** The author was Floyd Laughren.

**Mr. Laughren:** As a matter of fact, if the member thinks I manipulate the chambers of commerce, I think he owes the chambers of commerce of northern Ontario an apology. I suspect they will be the first to demand it of him. The Sudbury Chamber of Commerce had a lot to say about the Tory strategy for northern Ontario. Its publication was called A Profile in Failure. That is how they talk about the Tory strategy for northern Ontario, A Profile in Failure.

Even though this government may think it has the chambers of commerce across northern Ontario in its pocket, it does not. In northern Ontario they regard Tory policies with utter contempt; they have no respect for them. They have seen the government's policies for devel-



opment in northeastern and northwestern Ontario. There is nothing to resolve the problems up there.

I am the first to admit that this government cannot control all the forces at work out there that have caused the deterioration of the Ontario economy. At the same time, this government has done virtually nothing about the factors over which it has some control. I want to talk about some of those this evening in view of the fact that there is so much time at my disposal.

Over the years, this government has made a number of clearly identifiable mistakes.

**Mr. Kerrio:** They got elected. That is the biggest mistake.

Interjections.

**The Acting Speaker:** Order. Mr. Laughren has the floor.

**Mr. Laughren:** I want the government members to stop heckling the member for Niagara Falls (Mr. Kerrio). They are heckling the next leader of the Ontario Liberal Party. He has already declared, has he not? Leave him alone and give him a chance.

**Mr. Kerrio:** I didn't think you knew.

**Mr. Laughren:** I have my contacts in Niagara Falls.

Interjections.

**The Acting Speaker:** Order. Mr. Laughren has the floor on the budget debate.

**Mr. Laughren:** At least the member for Niagara Falls has had the courtesy and integrity to come out publicly and say he thinks he should be the leader instead of the present leader. Other members of his caucus are much more subtle and are pushing from behind the scenes. But not the member for Niagara Falls.

There is nothing underhanded about the member for Niagara Falls. He has stated out there for the world to hear that he wants to be the next leader of the Ontario Liberal Party. He may even get some contributions from this side of the House. We would like very much to see him as the next leader of the Ontario Liberal Party.

There is a person in the public gallery who I think we should recognize has dropped in to listen to the debate: the former mayor of the city of Sudbury, James Gordon. I wonder if we could pound our desks for the former mayor of the city of Sudbury, who dropped in to the gallery this evening to hear this debate.

**Mr. Philip:** Is he a Liberal or Conservative?

**Mr. Laughren:** The former mayor of the city of Sudbury is a Conservative at present; can I put it that way, delicately? However, I must say that before this parliament has ended, the Speaker of this chamber is going to have to make a ruling on whether it is within parliamentary etiquette to say one thing in the riding and another thing in Queen's Park. When you have made that ruling, Mr. Speaker, will you let the member for Sudbury (Mr. Gordon) know so he knows how to conduct himself in both places? I did want to make the member for Sudbury feel welcome in the public gallery, Mr. Speaker, and I thank you for allowing me to do that.

**Mr. Kerrio:** That is called poetic licence.

**Mr. Laughren:** Poetic licence; that is what it is.

**The Acting Speaker:** Order, please. On the budget debate.

**Mr. Laughren:** I hope that the Liberal caucus here tonight—

**Mr. Kerrio:** I was thinking about those guys over there.

**Mr. Laughren:** I do not want the honourable member to provoke me tonight, because I have some ammunition that could be used against the Ontario Liberals; so perhaps he had better just be quiet for a while.

**Mr. Kerrio:** I will wait.

**Mr. Laughren:** All right. I will not do that.

Mr. Speaker, if I could return to the matter of the budget: There are some very clearly identifiable mistakes that this government has made in recent times. First of all, they have unblushingly encouraged a massive increase in foreign investment in Ontario. That encouragement has left us with a manufacturing base dominated by branch plants that are subject to repatriation, primarily back to the United States, and that is why the government has had to appoint a select committee on plant shutdowns and employee adjustment. Those who cared to attend any of those select committee meetings will know that that is correct.

I welcome to the chamber the former mayor of the city of Sudbury.

**Mr. Gordon:** It is called the truth squad. I came back just to check up on the honourable member.

**Mr. Laughren:** The truth squad? The honourable member should have had experience with truth squads.

**Mr. Piché:** The member for Nickel Belt should look at the majority he got in Sudbury. That shows what the people of Sudbury want.

**Mr. Laughren:** I want to tell the honourable member something. The people in Sudbury listened to what the member for Sudbury was saying in Sudbury. Four years from now, when they are reminded of what he said in Queen's Park and how he voted in Queen's Park, the majority will vote for the New Democrat, not the Tory candidate.

**The Acting Speaker:** Order. On the budget debate.

**Mr. Gordon:** They are going to be looking at the honourable member's record, too.

**The Acting Speaker:** Mr. Laughren, on the budget.

**Mr. Laughren:** They have looked at my record for 10 years, and they rewarded me with a nice majority, which I appreciate. Fifty-five per cent is not something one should sneer at.

Mr. Speaker, the first major fault that I tried to bring to your attention was the increase in foreign investment in Ontario, which has led to enormous problems as these branch plants are repatriated to the United States when they feel their economic crunch. They have no loyalty here, no reason to stay here. With decreased trade barriers, there is nothing to keep them here. Slowly but surely, that should be sinking into the members' collective skulls.

The second major fault is in the determination of this government to let the marketplace determine our economic development, and that says a lot about the Conservative Party. That has meant we import an ever-increasing proportion of our manufactured goods and we export ever more resources in raw form to pay for those imported manufactured goods. And it is getting worse.

As the industrial heartland of Canada, we should be ashamed of the \$17-billion deficit we now have on manufactured goods in this country. Ontario is the heartland of our country. During 1980, manufacturing jobs in Canada declined by 14,000, and since 1960 the proportion of our work force employed in manufacturing has fallen from 31 per cent to 25 per cent.

Those imports of manufactured goods must be balanced off in one way or another. How has the government chosen to do it? There are two ways. One is the export of raw or semifabricated resources, and the other is bringing in more foreign investment, because the balance of payments must accomplish that.

**8:20 p.m.**

The third major fault is that in recent times this government made a very serious error in

judgement. It was primarily the Minister of Industry and Tourism (Mr. Grossman) who was guilty of that error in judgement. The minister, along with his other cabinet colleagues, decided to launch a four-pronged program to stimulate the Ontario economy. If one looks at each of those prongs, one can say, "Yes, that is the kind of thing we should be doing." I do not quarrel with that, except there are a couple of things missing.

The first prong I am talking about is export promotion. How can one quarrel with export promotion? Of course we should be promoting exports. The second is assistance to the private sector in the form of employment development fund grants. The third is a rather tepid government procurement program with a 10 per cent bonus allowed for the purchase of Canadian goods. That is simply not adequate.

The fourth prong is the endorsement of the principle of global product mandating. That is a very nice phrase for simply encouraging branch plants in Ontario to specialize in one or two lines and to serve world markets with those lines. It sounds all right, but what it really means is that one line is repatriated back to the United States or elsewhere and we have nothing left at all.

It has been a very serious mistake, because imports are our problem, not exports. If we look at the figures that govern this country, the trade statistics, we will see the real answer is import replacement. We would all like to stimulate exports. We all believe in a government procurement program. We all believe certain sectors must be assisted and encouraged. But in the end our salvation lies in replacing the incredible number of manufactured goods that we import.

We still have no strategy to replace imports in this province or elsewhere in Canada. That is a real tragedy, because the potential for Canadian-owned firms and governments to create new wealth and reduce our reliance on foreign capital is truly enormous if we reduce those imports of manufactured goods.

By reducing our imports by even 50 per cent, we estimate we could save the Ontario economy \$12 billion in imports in a year as well as creating almost 200,000 direct jobs and virtually double that number in spinoff jobs. We would have full employment in Ontario if we could replace even half the imports. Also, we could increase provincial tax revenues by \$168 million a year and federal tax revenues by \$400 million a year.

When I hear the Treasurer talking about the need for new revenues, the need to apply regressive taxes, I often wonder why he does not



look at the whole question of import replacement so that we can have full employment in Ontario and increase tax revenues substantially. It would cut down enormously on the amount of money we pay out in social services that now flow from the high unemployment level in the province.

The government program lacks courage. I can remember saying to the Treasurer once that his program lacked courage, and he took great umbrage at the use of the word "courage." He said he had a great deal of courage and was offended by that remark.

The strategy lacks courage. I will tell members why. To stimulate exports is simply—as my friend the member for Algoma (Mr. Wildman) would say—to go with the flow, to lean into a pitch. But to replace imports means challenging the economic system that is out there now. That is why to only stimulate exports is not a courageous act at all—it lacks any kind of conviction—but to actually replace imports means challenging the traditional role of the branch plants out there in the province of Ontario. It means establishing whole new industries. My colleague the member for Algoma referred to several of those in his remarks earlier this week.

To this day—and I am glad the member for Sudbury is here—this government has never been able to justify the level of imports of mining machinery into this country, not to mention into Ontario. To be number three in the world in the production of minerals, number two in the world as a consumer of mining machinery and number one in the world as an importer of mining machinery is a situation that is not only outrageous but also should never have been allowed to happen in the first place. It happened because this government has always believed that the private sector knew best and that, even though there might be aberrations in the short run, in the long run we would all be better off if we would follow the dictates of the private sector. I hope my friends are learning.

Will someone in the government tell me, given those statistics of one, two, three—number one in the world as an importer of mining machinery—how in the world the government justifies that? They left the decision completely up to the private sector, which has let them down. That is why the Minister of Industry and Tourism and the Treasurer are scrambling around out there trying to pull together a resources machinery advisory board. That really is a joke.

Interjections.

**Mr. Laughren:** I hear the members opposite objecting to my saying that they have relied on the private sector and that they have been had by that reliance. I want some member of that government to stand in his place—anybody, cabinet minister, back-bencher, it does not matter who—and tell me how he justifies the fact that we import more than 70 per cent of our mining machinery, while we are number three in the world in the production of minerals and we have huge energy and mineral development projects coming up in the next 10 years.

Will someone in the government tell me how they justify that ever happening in the first place? I will stay here a long time to listen to them. I will applaud them when they end, whenever they give us a logical explanation.

The government makes a mistake when it believes the private sector will not behave irrationally. That is the belief over there. The private sector will not behave irrationally. I happen to believe they will not behave irrationally when they are acting in their own self-interest. But is the self-interest of the branch plants always the same as the best interests of the people of Ontario?

**Mr. Nixon:** That is the question.

**Mr. Laughren:** That is the question. Take a look at mining machinery. I could name others, but that is a blatant example. I could give examples of any number of sectors. My colleague the member for Algoma talked about them in his budget response. If this government really believes that the private sector is going to do it, then why has it not done so in the past?

This party has laid before this chamber and the people of Ontario all the alternatives when it comes to stimulating the economy. We have identified the key sectors of machinery, electrical products, electronics, food processing, medical supplies and auto parts as the ones that, one by one, must be aggressively rebuilt. We are proud of our economic strategy. It is courageous and imaginative, and it employs a very realistic mix of private and public initiatives that must be taken.

**8:30 p.m.**

There is one key sector I wish to address the bulk of my argument to this evening, and that is our mineral sector. I want to spend some time on minerals in Ontario. In my enthusiasm for my new responsibility as critic for natural resources, I want to spend some time on them.

There has been much talk during the last couple of months about the return the people of

Saskatchewan receive for their minerals, compared with the return we get here in Ontario. The government argues, of course, that we get an adequate return and that the comparisons with Saskatchewan are unfair. They say that potash is more of a monopoly for the Saskatchewan government and we cannot make those kind of comparisons. We argue that there was a time in Ontario when we had control of virtually the entire western world's supply of nickel. I ask my friends opposite what they did with that control.

**Mr. Piché:** Look where Ontario stands today. The best place to live today is Canada; the best place to live is Ontario.

**Mr. Laughren:** Yes, it stands number 10 in Canada.

**Mr. Piché:** I am comfortable.

**Mr. Laughren:** It is the best place unless one happens to be one of the 300,000 people unemployed, unless one happens to be a young person in northern Ontario, unless one happens to be a woman in northern Ontario looking for a job. In the very comfortable pew of the member for Cochrane North (Mr. Piché) I am sure there is no better place to live than northern Ontario. It must be nice to be comfortable. He can tell all the people out there who are not so comfortable that he is very comfortable and that they should take solace in his comfort. He can tell them that.

**Mr. Piché:** I have always lived in Ontario, beautiful northern Ontario.

**Mr. Laughren:** The member for Cochrane North wants to tell the people of Ontario they have never had it so good and they should stop complaining because he is comfortable. Is that what he is telling me? We are all comfortable?

**Mr. Piché:** We are all comfortable, yes.

**Mr. Laughren:** Are the steelworkers in Ontario comfortable? Are the people on family benefits comfortable? Are the unemployed auto workers in Windsor comfortable? Are the women in northern Ontario who cannot get jobs comfortable? Are the young people who leave northern Ontario comfortable?

The member for Cochrane North perhaps should reflect a little on people who are not quite so fortunate and not quite so comfortable as he is. Perhaps he needs to understand that everyone does not have quite his station in life and that those kind of people do need consideration. That is one of the roles of government.

The member started this exchange. Let me tell him something. The government of which he is a member—

**Mr. Piché:** That is a \$500 suit.

**Mr. Laughren:** Just because I personally pressed this suit carefully does not mean it is expensive. I look after my clothes. I buy very cheap clothes, but I press them daily. Does that satisfy the member? I am very surprised to hear the member for Cochrane North talking like this. Does he really believe all those things he just interjected? I hope those things are on the record.

**Mr. Piché:** I have already asked for them not to be on the record.

**The Acting Speaker:** Order. Mr. Laughren has the floor.

**Mr. Laughren:** I know some newspapers in northern Ontario would like to carry those interjections.

**Mr. Wildman:** The Northern Times.

**Mr. Laughren:** That is right. Even the Northern Times might carry those interjections. Anyway, Mr. Speaker, back to the budget.

This government really does not like the comparisons we keep making with Saskatchewan, mainly because the government of Saskatchewan had the courage to intervene in the marketplace and take over a large portion of the potash industry. That makes this government very nervous when they see the return we get from our resources in the private sector and the return the Saskatchewan people get from the resources in the public sector. That is what really bothers the members opposite, is it not?

**Mr. Brandt:** How about the equalization premiums?

**Mr. Laughren:** Never mind. I am not talking about oil and gas; I am only talking about minerals. We are talking about returns on the minerals of Saskatchewan versus returns on the minerals in Ontario. It really sticks in the government's craw that, because it is in the public sector, the people get a higher return. Here it is in the private sector and we get a pittance as a return. That really sticks in the government's craw, does it not? Well, it is too bad.

**Mr. Piché:** What is the alternative? There are Liberals in your audience. They came to listen and they are all leaving now.

**Mr. Laughren:** I have emptied more impressive halls than this, I want to tell my friend.

The Saskatchewan government approached



the minerals sector with five basic considerations, and I wish this government would think about them.

First, the province should obtain at least a minimum return for the exploitation of its resources.

Second, the producer—the government will like this—should retain sufficient revenue to cover operating expenses and provide a fair return on capital investment relative to the risks involved. The major portion of the remaining income or surplus should accrue to the owners of the resource, the people of the province.

Third, the tax system should reflect the particular economic characteristics of each mineral industry.

Fourth, the royalty and tax system should be consistent with the province's policy for developing that particular resource. For example, in Ontario we might have one royalty or tax for nickel or uranium versus another one for lignite, one for minerals for export versus another one for domestic use, or one for mature industries versus another one for new industries.

Those are civilized, sensible considerations, and for those members across the way who are steeped in Edmund Burke's conservatism, there is nothing radical about those considerations. It is a civilized approach to how one develops one's resources. Despite a significantly higher return on the resources, the private sector is not so unhappy.

I quote from the *Financial Post*, second in credibility only to the *Northern Times* as an observer of financial matters in this country. This is what the *Financial Post* had to say:

"Saskatchewan has over the past several years established an excellent reputation for fair and honest dealing with the private sector. Not the least compelling factor in attracting capital to the province's resources is the support and involvement of the provincial government in direct control or a stake in the enterprise. At one time there was a considerable degree of concern about this involvement. Now, public sector involvement is a fact of life so long as the rules of the game are clear to all participants and the authorities do not abuse their power to alter those rules. Experience has shown that private enterprise and private investors are more than happy to join forces with the public sector."

Who said that? That was the *Financial Post* quoting Mr. G. D. Campbell, vice-president of Dominion Securities, not exactly your traditional concept of a radical Socialist.

One can get a higher return from one's resources; it does not drive away the private sector. If one wants to work in joint ventures, if one wants to get the private sector involved, it can be done, but in this province they will not do that.

There was a report a number of years ago called the Wellesley report which said that uranium—Denison Mines—should be brought into the public sector by Ontario Hydro.

**Mr. Wildman:** Eddie Sargent said that today.

**Mr. Laughren:** The erstwhile Liberal member for Grey-Bruce (Mr. Sargent) recommended that today, but the government, because of its ideological straitjacket, simply will not do anything that sensible. They will not do it. I am continually amazed.

Finally, if I can just divert for a moment, I want to say to the member for Essex South (Mr. Mancini) that I did not mean to pay tribute only to the member for Niagara Falls as the declared candidate for the Liberal leadership. I meant to make a nod in his direction too. I apologize for that omission.

**Mr. Mancini:** Mr. Speaker, on a point of order: I presume that if and when I do decide to run for the leadership of any particular party, I will probably get a hell of a lot of more votes than he would get if he decides to run for his party.

8:40 p.m.

**The Acting Speaker:** Mr. Laughren, carry on.

**Mr. Laughren:** The member has cast a very large and dark shadow over my leadership aspirations.

Mr. Speaker, I want to lay before this chamber just a few—not very many, a few—comparisons of the return we get from resources, compared with what Saskatchewan gets. I hasten to add that I am only talking about the mineral sector. I am not talking about oil and gas.

**Mr. Brandt:** Tell us about the manufacturers.

**Mr. Laughren:** As a matter of fact, on Tuesday we raised in this Legislature a question with the Provincial Secretary for Resources Development (Mr. Ramsay). We asked him, "How long is it going to take before Ontario gets a fair return on their resources?" He was sitting down at the time. He rose and said: "I do not know how long that will take, Mr. Speaker." He sat down again.

That was the answer of the Provincial Secretary for Resources Development, the cabinet

minister who is responsible for resource policies in Ontario. I want to say that is some comment on the new minister from Sault Ste. Marie. I do hope that he does his homework in the upcoming months, because he is going to be in deep trouble.

I did promise members some comparisons. Between 1975 and 1980, Saskatchewan generated 64 per cent more revenue in actual dollars—in the final percentages—than Ontario. A small province, Saskatchewan generated 64 per cent more revenue in actual dollars than Ontario, on less than 30 per cent of Ontario's production. They generated 60 per cent more revenue on less than 30 per cent of the amount of production.

Interjections.

**Mr. Laughren:** The members can interject all they like, but I am waiting for their contribution to the budget debate when they respond to these figures.

**Mr. Piché:** Is that per capita?

**Mr. Laughren:** No, total dollars.

**Mr. Piché:** Don't move to Alberta, because it will be worse. Wait.

**Mr. Laughren:** Do not ask me to justify the figures in Alberta either.

Mr. Speaker, between 1975 and 1980, if Ontario had taxed its minerals at the same rate as Saskatchewan did, we would have received \$1.9 billion more in nonfuel mineral revenues and \$400 million more in 1980 alone.

**Mr. Mancini:** And it would have wiped out the deficit.

**Mr. Laughren:** To zero. In the budget the other night, my colleague—

**Mr. Piché:** Je ne comprends pas.

**The Acting Speaker:** Mr. Laughren has the floor.

**Mr. Laughren:** I was under that mistaken impression too, Mr. Speaker.

The other night when the Treasurer presented his budget—I am sure my colleague the member for Algoma will correct me if I am wrong—the Treasurer levied \$603 million in increased taxes on the people of Ontario. If he had taxed our minerals at the same rate last year as Saskatchewan did, there would have been \$400 million of that right there. That's from one source, and not at a confiscatory rate either; it would have been a very civilized rate of return on our resources.

**Mr. J. M. Johnson:** What about exploration?

**Mr. Laughren:** Somebody asked me about exploration figures here. Let me give members the exploration figures. For those of them who think Saskatchewan might be driving away the private sector with its tax rates, let me tell them something. I am glad the honourable member asked.

In 1976, exploration expenditures in Ontario were \$27.8 million; they were only \$20 million in Saskatchewan. In 1977, they were \$27.9 million in Ontario, but \$40 million in Saskatchewan. In 1978, they were \$18.6 million in Ontario and \$70 million in Saskatchewan. In 1979, they were \$22.7 million in Ontario and \$80 million in Saskatchewan. And in 1980—I do not have the figures yet for Ontario—they were \$100 million in Saskatchewan.

So much for the minister's silly arguments that levying a decent tax on the mineral sector will drive away exploration and discourage investment in that sector. It is total nonsense, a totally self-serving argument. If the minister disagrees with me, I would like to have his figures. So much for that competitive environment argument.

Perhaps one final comparison will be appropriate, because I have this funny feeling that the member for Oriole (Mr. Williams) is not quite convinced.

Between 1975 and 1980, \$13.9 billion worth of ore was mined in Ontario and \$430 million was paid in resource taxes. Remember those figures. In Saskatchewan, \$4.1 billion worth of ore resulted in \$700 million in resource revenues.

Let me play that back to the members, because I can see some eyes glassing over over there. In those six years, 1975 to 1980, Ontario produced—I will round off the figures—\$14 billion worth of ore, which provided \$400 million worth of revenue, and Saskatchewan produced \$4 billion worth of ore, which provided \$700 million worth—not \$400 million worth—of revenue. That should tell the members something is wrong with the way we tax mineral resources in this province.

Let me move away from those invidious comparisons, which the minister does not like. Let us look more specifically at Ontario's management of mineral resources. I am glad that the member for Sudbury (Mr. Gordon) has rejoined us in the chamber this evening.

**Mr. Gordon:** Floyd, you know I can't tear myself away from you. You're so charming. You exude personality.

**Mr. Laughren:** It has always been so, has it not?



Interjections.

**The Acting Speaker:** Order. Mr. Laughren has the floor.

**Mr. Laughren:** Mr. Speaker, I thought there was a rule in this chamber that one did not heckle members during their maiden speech. Will you tell these people to be quiet?

**The Acting Speaker:** Carry on.

**Mr. Laughren:** We have in this province an incredible amount of wealth in our resources, and yet we have never used them as the lever to unlock the development of northern Ontario or to create more new wealth. We have never been able to accomplish that in Ontario.

Over the last few years the amount of ore mined has gone up dramatically and the number of people employed in mining has gone down. That is mechanization. I have no quarrel with the mechanization of the industry. I have always felt that it is better for a scoop tram to dig out the ore than for a miner to dig out the ore. The only question I have is, where is the scoop tram built? Where are all those drills built? They are not built in Ontario, and they are not built elsewhere in Canada either, most of them. There are exceptions, and I can even pay tribute to Jarvis Clark of North Bay, which is increasingly becoming a southern Ontario company, I might add, as it moves its operations to southern Ontario.

When I look at figures showing that more than 70 per cent of our mining machinery is imported, I think, "Well, we have really missed something here." If we used those incredible resources in a backward linkage kind of way, which the economists talk about, to build the machinery to extract the ore, then we would have something. We would be creating new wealth and a diversified economy in the north.

The opportunity in mining jobs and energy-related projects in western Canada in particular in the next 10 years is almost beyond belief. The last figure I saw was something like, in the next 10 years, almost \$70 billion worth of machinery and equipment would be required in energy related projects alone. Guess where that machinery is going to be purchased?

8:50 p.m.

**Mr. Williams:** What's missing is your acknowledgement of the mineral mining advisory board which is being set up in your own city under the BILD program.

**Mr. Laughren:** The member is absolutely right. I agree with him entirely. I have not paid tribute to the advisory board, nor do I intend to.

**Mr. Piché:** What would you do then?

**Mr. Laughren:** I want to build the mining industry here, that is what I want to do. We have the opportunity. It is a beautiful opportunity to take part in the growth, not just of Ontario but the rest of Canada too. We should be there.

If anyone said it very well, it was the Minister of Industry and Tourism (Mr. Grossman). He does not often say things well, but he did in this instance. He was talking about mining machinery and I will quote very briefly. I am sure members will not heckle when I am quoting the lean and hungry minister. Mr. Speaker, have you heard that expression—that the minister has a lean and hungry look?

"During the mining boom of the 1950s, for example, firms in Canada placed orders for hundreds of millions of dollars worth of mining equipment with companies in Sweden, in Germany, in the USA. Those orders effectively underwrote the research and development work that has made the manufacturing industries internationally dominant. In short, we helped to create the industrial strength within those nations which now rank amongst our major national competitors."

I submit what he is really saying is, "We placed all those orders with our competitors instead of building a mining machinery industry here." Not just in Ontario, to be parochial, but in this country. We did not do it and we are still not doing it. That, as the member for Oriole correctly indicates, is the promise of the resources machinery advisory board.

**Mr. Gordon:** It has to be done your way, eh Floyd, or no way?

**The Deputy Speaker:** Moving along, Mr. Laughren. You are being awfully provocative.

**Mr. Gordon:** How many machines are built in Saskatchewan? I think you lost your quorum, Floyd.

**Mr. Laughren:** May I respond to the member for Sudbury, Mr. Speaker?

**The Deputy Speaker:** Yes.

**Mr. Laughren:** On the contrary, as my friend from Cornwall says—

**Mr. Gordon:** I know what it is, Floyd. You want a job like the other fellow on the other side. You want to be appointed, don't you? Sure you do.

**Mr. Laughren:** We have said all along that there should be a mining machinery complex. Is the member for Sudbury disagreeing with that?

**Mr. Gordon:** No.

**Mr. Laughren:** Well then, why not stand up and say so? Does he agree there should be a mining machinery industry—

**Mr. Gordon:** I will never disagree with that. The point is, if it is not done your way, it is not good enough.

**Mr. Laughren:** No. What is my way?

**The Deputy Speaker:** Order, please, Mr. Laughren. Will you please direct your comments to the chair? It would be much appreciated, and it would be incumbent upon me if I remind the other member from Sudbury to please restrain himself and not be so provocative.

**Mr. Laughren:** Going to the heart of my remarks, I would not want to continue them without a quorum.

**Mr. Gordon:** Ring the bells, ring the bells. This is too good to miss.

The Deputy Speaker called for the quorum bells.

**8:59 p.m.**

**The Deputy Speaker :** A quorum is formed. Mr. Laughren.

**Mr. Laughren:** Mr. Speaker, I would ask a ruling on a question. The members opposite just came in and I wonder, would it be appropriate for me to go back to the beginning?

**Mr. Gordon:** Go right ahead.

**Mr. Laughren:** I will go back to the beginning if the former mayor of Sudbury will go back up to the public gallery.

I was talking about the need for a mining machinery industry in Ontario. There seemed to be general agreement on the other side for that case. As a matter of fact, I noticed that as each Conservative member got up to leave, he said, "Damn it, he's right" and then left.

**9 p.m.**

**The Deputy Speaker:** Unparliamentary language, Mr. Laughren.

**Mr. Laughren:** It was on their part. I was just quoting them.

The government has failed in the way I talked about—namely the backward linkages to mining machinery. The other half of that equation is what the economists call forward linkages, namely the further processing of the mineral resources in this province. They fail to further process the minerals to the ultimate so we can increase wealth, create new jobs and reduce the level of imports of manufactured goods. This

government has abdicated its responsibility in that regard as well.

For example, about 90 per cent of the copper mined in Ontario is refined here. That is a pretty impressive statistic. However, only 65 per cent of the nickel, 40 per cent of the zinc and none of our platinum group metals are refined here. We have a disturbingly vague promise from Inco that a precious metals refinery may be built in the Sudbury area in future. Inco has not promised to build a battery plant in Sudbury despite the fact profits earned there allowed them to buy the ESP Battery Corporation in the United States a couple of years ago.

Let us talk for a moment about something that should also bother the members opposite. It is the whole question of section 113 of the Mining Act. Section 113 states that ores mined in Ontario must be refined in Ontario as well. That is an admirable requirement but it is rendered virtually meaningless by the granting of exemptions by the cabinet. I hope the new members of the government caucus will apply pressure to have that changed.

The last time I counted, there were about 22 or 23 exemptions in place. I know the members would not like me to guess so I would just like to list a few of them. These are exemptions that say that contrary to section 113 of the Mining Act, because the cabinet has given in to the request of these companies, they can ship their ores out of the country, out of the province, to be refined elsewhere:

Agnew Lake Mines—that's a bad example because they have shut down now—permission to refine in Sweden; Algoma Steel Corporation, permission to refine in an unspecified country; Caland Ore Company Ltd., Atikokan, permission to refine in the United States; Consolidated Canadian Faraday Limited, permission to refine in Italy;

Denison Mines, permission to refine in Japan; Denison Mines, permission to refine in Spain; Denison Mines, permission to refine in Japan; Falconbridge Nickel Mines, permission to refine in Norway; Great Lakes Nickel, Thunder Bay, permission to refine in an unspecified country;

Inco, Sudbury and Shebandowan, permission to refine in an unspecified country; Inco, Sudbury and Shebandowan, permission to refine in the United Kingdom; Inco, Sudbury and Shebandowan, permission to refine in Japan; Inco, Sudbury and Shebandowan, permission to refine in the United Kingdom;

Mattabi Mines, permission to refine in an unspecified country; Rio Algom Mines, Elliot



Lake, permission to refine in the United Kingdom; Rio Algom Mines, Elliot Lake, permission to refine in the United States; Rio Algom Mines, Elliot Lake, permission to refine in the United States; Stelco Mining Corporation, permission to refine in an unspecified country; Teck Corporation, permission to refine in Sweden; Texasgulf Canada, permission to refine in an unspecified country.

Those are some of the exemptions to the requirement that these companies refine in Ontario. There are a couple of things that need to be said about that. Probably the most blatant example is the exemption granted to Falconbridge. Falconbridge has been in the Sudbury Basin for almost 50 years. They are part of that huge Superior Oil empire of Houston, Texas, the Howard Teck family interest. For 50 years, they have been shipping their ores to Norway to be refined. Do members know what reason the cabinet gives for granting that exemption? I do not want to keep this reason to myself. This is the reason, "The capacity of existing refining facilities in Canada is inadequate to refine the applicant's nickel-copper matt and the construction of new facilities by the applicant is presently economically unfeasible."

I urge members to look at the word "presently" in, "the construction of new facilities by the applicant is presently economically unfeasible." It has only been "presently economically unfeasible" for 50 years. When does it end? Is there no end to this "presently economically unfeasible" time frame? It seems there is no end.

That exemption is only half of the indignity. Do you know what else they do, Mr. Speaker? You don't. You shake your head more expressively than any other Speaker we have had in that chair.

This is the other half of the indignity. Falconbridge and others are allowed to write off the processing costs in other countries against the profits they pay in Ontario. Not only are they given the exemption and allowed to ship the ores elsewhere to be refined, they can write off the costs of that refining against the taxes they pay here. That is an indignity and it should be an embarrassment to members of the governing party.

It is not as though we were aiding the Third World. If we were allowing the Third World to have refining capacity then to aid the Third World I would probably be the first to applaud. The members heard the list of countries that I read: Sweden, Italy, Japan, Spain, Norway, the United Kingdom and the United States. Do

members know what the unemployment rate in Ontario is? It is 7.5 per cent. Do they know what it is in the United States? The last figure I have is lower than Ontario. Japan has a 2.2 per cent unemployment rate. In the UK, it is escalating quickly under the Iron Maiden's jurisdiction. In Norway, it is 1.9 per cent and 2.1 per cent in Sweden.

Interruption.

**Mr. R.F. Johnston:** He heckled from underneath the gallery.

Interjections.

**Mr. Laughren:** Mr. Speaker, maybe you could pull his whipship in line over there.

The point I am trying to make is that not only is it an indignity to us to allow these exemptions and then permit write-off of the costs of refining elsewhere than in Ontario, they are not even doing it in countries that have high unemployment rates or that are less developed countries.

Interruption.

**The Deputy Speaker:** Order, please. I would remind the honourable member, whoever it is, to refrain from remarks unless he is sitting in his appointed chair.

**Mr. Laughren:** We could create a lot of new wealth, new jobs, new revenue sources for the government and they would be much more progressive sources than the ones the Treasurer (Mr. F. S. Miller) manages to dredge up with every budget. Rather than being too harsh on the government, we asked them—I think last year we put it in written form on the Order Paper—in order to help us in judging more impartially and objectively their mineral taxation policies, if they would give us some information. We said: "We know what the revenues are; that is published. But we do not know the profits of the mining corporations based on their Ontario operations." We asked to be told what the total mining taxes paid to the province were on Ontario operations.

Perhaps just as important, we asked, "What is the estimated revenue loss from the granting of those exemptions?" What revenues do we lose from their writing off those refining costs against the Ontario taxes paid.

**9:10 p.m.**

We were told we could not have that information. It was a secret. Only the cabinet, I suppose, could know that. How do the people of Ontario judge this? How do we as a responsible opposition—that is the role we play here—make any kind of rational, fair judgement on

mineral taxation policy when the government will not give us that very basic information? I think it is a fair question.

It is to the benefit of the government to have an opposition that is probing, an opposition that is trying to get at facts. Yet when we try to fulfil that role it makes us feel we are not part of the process. It may be a majority government but an informed opposition is a big help, not only to the people of Ontario but to the government as well. The government does not seem to understand that. I want some member over there to tell me why it is we cannot have information that will allow us to judge the mineral taxation policies of this government. How does the government know it is getting a fair return? It does not even know what the profits of the Ontario-based operations are. Does it know what it is doing?

If a company was based totally in Ontario—all its operations were here, all its earnings were here, all its expenses were here, all of its employees were here—and it was a public company, it would have to publish an annual report which showed its net income. By law the Ontario Securities Exchange Commission would ensure that happened, and we would know. But because the big companies have operations around the world we do not know. So in effect the government is favouring the companies with operations that are beyond the borders of Ontario. If they were just situated here we could have most of that information by the very fact they would have to publish an annual report. But the government will not do that.

The government argues that the disclosure of such information would take too long to produce. How in the world does it know it is a good policy if it does not have those answers? Maybe I erred earlier when I said that only the government knows. It says it would take too long to produce the information. Maybe that means it does not know. That is even a greater condemnation of government policies—if it does not even know on what it is basing its policies.

It is bankrupt of ideas. It sits there in a kind of stupor and says, "We have our majority. Go away and make your noises some place else." If that is the kind of government there will be for the next four years the members opposite are doing it not only at their own peril but at the peril of the people of Ontario.

The government has an obligation to share information with the opposition. It may not like it. It may prefer to sit there in cocoon-like arrogance, but that is not good government. Sooner or later it will catch up with them. I do

not know when. I am still waiting, but sooner or later it will catch up with them. It may not be in my time. For those who think the only measurement of government is the number of seats won, I guess they are right.

I see the member for Algoma-Manitoulin (Mr. Lane) nodding his head.

**The Deputy Speaker:** The member is speaking to the chair.

**Mr. Laughren:** The member for Algoma-Manitoulin, Mr. Speaker, sat there smugly and smiled just the way he is now when the problems of Elliot Lake miners were brought to the attention of this chamber too. The member looks after them. Yes, we know about the number of deaths in the mining industry due to lung cancer, too. The member indeed looks after his constituents. He said that himself.

**Mr. Lane:** The lowest death rate in the province at Elliott Lake.

**Mr. Laughren:** Oh, is it? For lung cancer?

**Mr. Lane:** From any cause.

**Mr. Laughren:** From any cause. Oh I see. Perhaps the member for Algoma-Manitoulin can tell this chamber what the per capita rate of deaths due to lung cancer is in Elliot Lake compared with the population at large. Perhaps I will yield the floor to the member. Surely if he cares about his constituents he will tell us.

**Mr. Lane:** Perhaps you can tell us why your candidate couldn't win Elliott Lake. He lives there.

**Mr. Laughren:** No, no. Come on. Tell us the numbers. Let the record show the member sat there in stunned stupor. That is exactly the response I was anticipating. There is only one measurement of good government in this member's mind. That is whether he gets more votes, is it not? It really does not matter, does it, about the people who are hurt in the process if he gets a majority? That is what it always comes down to—the people who vote for him. I hope he is content in his abysmal ignorance of what his responsibilities are, because history is going to judge him as a member, and this government, very harshly.

**Mr. Lane:** It already has. I have had my majority for 12 years.

**The Deputy Speaker:** Mr. Lane, would you refrain from being so provocative, and Mr. Laughren, would you speak to the chair?

**Mr. Laughren:** The member for Algoma-Manitoulin always comes back to the same thing. Because he gets his majority in his riding,



it justifies all the neglect of the workers in the uranium mines in Elliot Lake.

**Mr. Gillies:** You started talking about how many votes you got.

**Mr. Laughren:** No, I did not.

**Mr. Gillies:** Yes, you did. Fifty five per cent.

**Mr. Laughren:** No, no. I have not neglected my constituents the way the member for Algoma-Manitoulin has.

**The Deputy Speaker:** Continue with the budget speech, Mr. Laughren.

**Mr. Laughren:** Thank you, Mr. Speaker, I wish you could control the government members.

I have talked primarily this evening about our mineral resources and their mismanagement by this government. New Democrats are placing increasing emphasis on the need to create new wealth in order to remain competitive and to redistribute our wealth in a more equitable fashion. A better return on our resources is just one of the many ways in which we would do that.

We know that the private sector is not preoccupied with either a fair return on our resources or with creating a society of equal opportunity. New Democrats are convinced that only through the public ownership of our resources will we be able to build a healthy and diversified economy. Taxing resource corporations at ever higher rates would mean in the end that those resource corporations would extract an ever higher grade of ore and leave the lower grade behind. A public corporation would not be so motivated. That is why in the last provincial convention of the New Democratic Party we passed a very comprehensive policy on resources and, combined with our manufacturing strategy and our commitment to a more equitable tax system, we believe we have the answer to many of Ontario's problems. Some day we are going to convince the electorate of that.

**Hon. Mr. Ashe:** Don't hold your breath.

**Mr. Laughren:** If I had been preoccupied with short-term gain and opportunism, I would not be a New Democratic Party member. I could have run for the party on the government side.

**Mr. Williams:** We would not have you.

**Mr. Laughren:** That is only part of the problem. Mr. Speaker, I wonder if I could steal a line from the February 3, 1979, issue of Weekend Magazine. I will exercise a few liberties in changing the words. They are talking—

Interjections.

**Mr. Laughren:** This is a Weekend article on Allan Blakeney in Saskatchewan: "Blakeney's greatest achievement has been to transform the province with the bleakest past into the province with the brightest future." I would like to say that—

**9:20 p.m.**

Interjection.

**Mr. Laughren:** No, it was an article. Look it up. It was in the February 3, 1979 issue of Weekend. I have no hesitation at all as I make these few brief comments on the budget in saying that Ontario New Democrats—

**Mr. Lane:** The member opposite said that was all.

**Mr. Laughren:** The member should listen to this—it is the windup. Would he be quiet? I have no hesitation in saying that Ontario New Democrats have the greatest potential to transform the province with a troubled past and a troubled present into the province with the greatest future. I am firmly convinced of that, and one day we will convince the electorate. In the meantime we are here as an obvious and sometimes stark alternative to the smash-and-grab economic and social policies of the two old-line parties.

**Mr. McLean:** Mr. Speaker, I would like to thank you for the opportunity and privilege of adding my comments and support of this government and its budgetary policies.

The Treasurer (Mr. F. S. Miller) on the evening of May 19 outlined many positive steps this government intends to take in the next one and two years. Since the new Thirty-Second Parliament has started, having spent some 15 years as an elected official in municipal life, I have never been so disgusted as when on occasion I see what happens with some of the members in this House.

I think some of the members in this House could take a lesson on what we have in this province from some of the county governments. A \$19-billion budget is not to be fooled with. There has been nothing constructive at all in the comments I have heard across this House tonight. There have been figures quoted and there has been talk about mining in the States and what should be done here; but I have not heard anything constructive about what we should be doing.

I am fully aware, as is this government, of the financial hardships the people of Ontario are going through. But the people of Ontario must

realize and come to terms with the fact that this provincial Legislature will not spend its way out of the economic problems now being felt in Ontario.

The government of Canada attempted to do this in the 1970s and in the 1960s, and the people of Canada came to expect this type of government reaction to a problem. But this type of temporary relief has finally caught up to the government of Canada, and the people of Canada are now feeling the full force of their economic mismanagement. The budgetary deficit of the federal government stands at over \$106 billion in 1980-81. The management in Ottawa needed another \$11.6 billion, which was added to that deficit last year.

I believe the only solution to inflation and our current trend in which interest rates move around the 19 per cent level is for the government of Canada to adopt economic management and spending policies similar to those this government has demonstrated over the past five years.

The federal government must curtail its spending. For the last three years, and in particular over the course of the election, the critics of this government have demanded increased expenditures on our health care system and our education system and, yes, increased transfer payments to your local municipalities. If the honourable members opposite will notice, that is exactly where the bulk of the budgetary increases are taking place. We do not intend to allow restraint for ourselves to mean hardship for others.

I realize our health care system is not perfect. It is not unlike any major industry. There will be problems from time to time but I believe we have the best doctors, the most updated equipment and the highest level of services of any health care system in Canada. Health care premiums tend to be the main issue in the minds of most people when discussing Ontario's health care system. I believe health care premiums are not entirely a bad thing and serve a useful purpose other than simply filling the government's coffers.

The people of Ontario in contributing to health care, either directly or through their employers, are reminded that this whole health system is not just another branch of government because our health system revolves around a private relationship between a patient and a health care practitioner or between consumer and retailer.

As a government we try to assist both sides.

But if we absorbed the system on what economics would call the demand side we would simply abolish premiums and use the phrase consolidated revenue fund to help convince people the whole thing was a free ride. If this government absorbed the supply side of the equation, it would turn doctors into civil servants and tell them that Big Brother always knows best.

As it is, we are walking a difficult tightrope and I might add a very expensive one. The bill for health services is estimated for 1981-82 to be over \$5.5 billion. I believe those vital health dollars are being raised in a fair and equitable way.

Good health is a community responsibility, one that we can all use and share. By taking a hard look at our own common resources we should be able to balance budgets and our needs. There can be no question about the need to foster a strong economy. If we are to continue to deliver high quality social programs, they cost money and are expensive. We simply cannot afford to think, as many people do, that the money comes from some kind of bottomless well.

This government has an excellent record of delivering good social programs while, at the same time, stimulating economic growth and expansion, creating new jobs and encouraging new industry to locate in Ontario. These are difficult economic times but, with the assistance of the government of Ontario, we will be able to rebound to higher levels of growth. The increase of corporate taxes, which are already at a high level and were increased in the two previous budgets, is not conducive to stimulating the economy.

I fully support the Treasurer's decision not to increase corporate taxes at this time of economic instability in North America. Ontario must, as the Treasurer stated, maintain an attractive investment climate. Ontario must remain competitive in relation to surrounding jurisdictions. For the sixth consecutive year, provincial spending will decline relative to the forecast expansion of our provincial economy. This policy has resulted in a 24 per cent increase in real growth for 1981 and the creation of over 100,000 jobs.

Ontario's future long-term economic development strategy is being co-ordinated and implemented through our Board of Industrial Leadership and Development. This year the government has earmarked \$150 million from the central BILD pool of funds which will be spent to put 50 programs into operation.



One segment of Ontario's economy, that of small business, is of particular interest to the constituents of Simcoe East. This government realizes the need for the role of small businesses in our economy and to encourage the foundation and expansion of these enterprises we have introduced a number of tax initiatives. For example, the Treasurer has decreased taxes on income and capital and provided investment tax credits to encourage an increase of internally generated funds.

**9:30 p.m.**

This government has also announced continued support of the Eastern Ontario Development Corporation program. The government considers the various assistance programs to be sound investments which will ultimately contribute to the sound economic performance of our economy, and stimulate the creation of additional jobs. In the last two years, 140 small business development corporations have been registered in Ontario, and \$40 million has been invested in these private companies.

I am pleased to see that this government will be expanding its small business development corporation program to provide increased access to outside risk capital and business expertise. The maximum equity capital will be increased from \$5 million to \$10 million for the small business development corporations, which are public corporations, and the limit for private investment will remain at \$5 million.

The second primary area of concern to the people of Simcoe East is the farming area. The main concern of the farmers in Ontario is the high interest rate on short-term loan capital. I believe this is the end result of the federal government's lack of financial restraint and control over the past five years. This government is concerned about the impact interest rates are having on farms, and we are doing everything possible to assist farmers through these very difficult times.

Ontario's Minister of Agriculture and Food (Mr. Henderson) has initiated a meeting of federal and provincial ministers to pose a comprehensive program that would help farmers cope with high interest rates. The feasibility of a low interest rate loan program and tax shelter benefits for investors is also being investigated. Essentially a federal program, the government of Ontario is working hard to initiate and co-ordinate solutions to ensure our farming sector remains prosperous.

In the previous budget, this government lifted the capital tax and succession duty on farmers.

On May 19, the Treasurer announced a property tax exemption on all farm land and managed forests. This policy ensures the overall tax structure for farmers will encourage more investment, more productivity and the continued use of all of Ontario's valuable farm land.

The combination of the proposed tax changes, coupled with the 10.6 per cent increase in municipal grants for 1980-81, will reduce the overall tax burden borne by our farming community. The exemption will be extended to include farm buildings and managed forests. The tremendous contribution these assets make to our economy is being given recognition.

The farm tax rebate program is being eliminated. Income farmers receive from this program was to be taxed by the federal government starting in 1982. Under the new plan, the farmer whose taxes were assessed at \$1,000 would pay \$330 for his home, saving a further \$320 from the tax rebate program.

Farm residences will now be eligible for a full local property tax assessment which should outline the exact level of service demanded in the municipality. Buffering the effect of the new tax exemptions, municipalities and school boards will be compensated for taxes lost as a result of the new tax exemptions.

Ontario farmers will be given the opportunity to outline their feelings about the new tax plan before it is implemented. Full public discussions will be held with all interested parties on the proposed tax changes.

Tourism has evolved into Ontario's second largest industry, adding more than \$6 billion to Ontario's economy. Ontario continues to be Canada's single most popular destination, attracting two-thirds of the visitors from the United States, and well over half of the visitors from overseas. To further promote tourism in Ontario, a \$2 million advertising campaign has just been launched, financed by the BILD program. The campaign will focus on the key United States and Canadian markets, a 48-page newspaper supplement filled with maps.

Photographs and illustrations have been sent to more than five million households. The local attractions of each region of the province are highlighted in the supplement which should stimulate tourism, not only in Toronto, Ottawa and traditional strong tourist areas, but also in regions of the province that visitors to Ontario do not usually have the opportunity to visit. In addition, a province-wide rating system of tourist accommodation should be operational by the spring of 1982, which will provide innkeepers

with substantial incentives to improve lodging facilities.

Over the years, social and job creation programs have been maintained and enhanced without putting any extra burden on our province's taxpayers, as long as it was possible and practical to reduce the cost of government without sacrificing the quality of social and economic problems. As this government continues to work towards a balanced budget, the people of Ontario realize this trend could not continue indefinitely. Additional revenue was necessary to maintain Ontario's health and educational systems at their present high standards, but the goal of a balanced budget in the near future is vital if we are to preserve the strength and prosperity of our economy and expand our social services.

The people of Ontario support and demand the level of service that the revenue-generating measures in this budget will be providing. The government's careful planning and responsible management of public funds has meant that we were able to inject \$260 million in retail tax cuts into the economy last November. This was of great benefit to many sectors of the economy, particularly individuals and small businessmen who were hard hit by recent inflationary pressures.

The BILD program will help this government to achieve its goal of strong, effective economic and social programs in a time when careful budgeting and planning must become a way of life for Canadians. The measures maintained in this program will promote strong, dynamic expansion in many sectors of Ontario's economy. As our economic prosperity increases, so will the government's ability to pay the costs of implementing new job creation programs and enhancing our existing ones without further increasing the cost to individual taxpayers.

To encourage economic growth in previously untapped markets, the government will promote research and development, particularly in the area of high technology. This will open up new markets to Ontario's products and expand our potential in existing ones. The result will be a stronger, more competitive economy with more money available for needed government programs and services.

**9:40 p.m.**

Other economic initiatives outlined in the BILD program focus on the idea that if our human resources are used to the fullest, then individuals, the economy and society in general will all benefit. To that end, \$200 million will be

devoted to a series of long-term initiatives that will ensure that workers in Ontario can take full advantage of new opportunities and changing technologies. This in turn will strengthen our economy.

Training programs will be encouraged to fill shortages of skilled workers in key sectors of our economy. Private business and learning institutions will be encouraged to take a more active role in training programs to help those already in the work force who need new training to deal with technological change. The budget for their training in industry and business programs will be increased. This will enable firms to retain employees when their skills are made redundant by technological change. Steps will also be taken to maintain training programs during economic slowdowns.

For older employees, the status of pensions in Ontario is currently being studied in order to protect workers' rights in case of a job changeover.

BILD will also help to secure a promising future for our province's youth as they enter the work force. Young people considering careers in skilled occupations are already able to learn about various options through the vocational interest search programs set up in our secondary schools. To help continue this service, community-based youth counselling centres will be established to help young people looking for a full-time job.

These measures, along with many other job creation plans contained in BILD, are designed to benefit our society as a whole and increase job security. New opportunities for employment and changes to retrain and acquire new skills will mean that more people will be working in Ontario. The new tax revenues that this will generate can be channelled in part into preserving and expanding existing social programs and developing new initiatives to help those needing government support.

New measures have always been planned to help cut down on government spending, minimizing our dependence on oil by encouraging electrical development and alternative fuel. Research is an important priority of the BILD package. This will cut down the cost of crude oil and natural gas to Ontario, which would otherwise amount to \$12 billion by 1985. Through this plan, a great drain on the provincial economy will be brought under control. With that economic pressure relieved, some of the financial resources that were committed to paying for crude oil and natural gas can be directed into



other areas.

This government is committed to balance economic development and fiscal health. This attitude is essential if we are to continue to have funds available to cover the ever-increasing costs of expensive but vital social programs without putting added pressure on other taxpayers or overextending ourselves as a government. After all, while social services are a vital part of the government's commitment to the wellbeing of Ontario, it would be a great injustice to pay for these services by borrowing on the wealth of future generations in our province. By fulfilling the promise of the BILD program, we can avoid this route. As we generate new sources of revenue, our economy prospers in the years to come and our social services will also flourish.

The challenge presented to the government by the economic constraints and pressures of the day is a formidable one. The challenge lies not only in the proper training and development of our human resources but also in the initiatives required to maintain our harmonious setting for industrial relations, a safe job environment for Ontario's working people, and a high quality level of employment standards.

In responding to these concerns, the government has recognized the dynamic nature of the labour environment and its allocation of resources as focused, programmed initiatives. Although the pace of job creation continues to run ahead of the increases in Ontario's labour force, the government has been actively pursuing various approaches to manpower planning. Manpower development, planning and policy is an area with which the government has vigorously concerned itself.

I might emphasize at this point that a fundamental detail of that picture, which should not be ignored, is that with respect to labour issues the government does not work in isolation. In this vital area the government operates in co-operation with labour and management groups and with the assistance of many widely respected advisers. A spirit of co-operation, and sensitivity to the dynamic quality of our working world are essential ingredients to any approach.

Employee dislocation has been an immediate problem facing Ontario's labour force and the government. The Ministry of Labour is responsible for the organization and activities of interministerial field teams as a major response mechanism to this issue. The teams are equipped to provide career counselling, skills assessment, information on available training programs and

related matters. Efforts will be made, with input from the Ministry of Industry and Tourism, to determine economic prospects and longer-term alternative employment opportunities. Representatives from other ministries will make contributions in terms of evaluating the social and financial impact of closures on the affected community.

Progress in the area of manpower development goes hand in hand with the harmonious work place and setting. Industrial stability is a key to economic recovery. The government of Ontario can and does play an essential role in fostering and maintaining an environment of good understanding and accord in the work place. In the search for ways to facilitate more harmonious labour relations, the government has recognized that the dynamic quality of collective bargaining requires at times carefully designed legislative responses. As a result, we have seen considerable progress in correcting some of the more abrasive aspects of labour-management relations.

One of the primary concerns of this government as we begin the Thirty-Second Parliament is the current housing market squeeze. Spiralling prices and low supply can be a problem for all potential buyers, particularly those who hope to purchase their first home in the very near future. The housing industry is, of course, a cyclical industry, moving up and down with the ebb and tide of the national economy. Canada's economy, as we are all aware, is in a period of high interest rates and high inflation, the two major factors that have resulted in our present high cost of housing in Toronto and throughout Ontario.

That is why I will today echo the demand of the Premier (Mr. Davis) demand that the federal government call a conference of first ministers at the earliest possible date. Only decisive and reasonable action in the area of federal monetary and fiscal policy planning can resolve Ontario's and Canada's present housing crisis.

**9:50 p.m.**

I am very pleased by the success of the government's Ontario rental construction grant program. In addition, \$21 million has been made available to bring the total rental unit starts this year to 15,000. This program should go a long way towards easing the present shortage of rental accommodation, and will generate 52,500 man-hours of employment, directly and indirectly, in construction and related industries.

The second major program introduced by the

government to alleviate the housing crisis is the Ontario community housing assistance program. As many as 2,200 geared-to-income housing units will be made available to families, senior citizens, and individuals in private, nonprofit and co-operative developments. More than \$3.3 million has been earmarked by this government in the first year of this program.

I was also pleased to hear of the introduction of the new residential electrical services program. The rapidly increasing costs of heating our homes with oil have put a severe financial strain on many Ontario home owners and renters. I fully support this government's initiatives that will encourage the people of Ontario to reduce their dependency on costly imported oil as a means of heating their homes, enable Ontario Hydro and the municipal electrical utilities to carry out home energy audits, and provide home-owner loans for energy conservation. Upgrading of electric wiring and conversion to electric heating will move Ontario one step closer to energy self-sufficiency and reduce one of the major concerns facing home owners today: the continually rising costs of simply maintaining a home and a reasonable standard of living.

Clearly, the ultimate solution to Canada's, and in particular, Ontario's housing crisis is closer co-operation among all three levels of government. The first stage in achieving this goal will be the reorganization and consolidation of the Ministry of Housing and the Ministry of Intergovernmental Affairs with respect to municipal affairs. This reorganization will allow for the overdue introduction of a revised Planning Act.

The decisive solution to our present housing crisis, however, lies in the fiscal policies of the federal government. One province alone cannot hope to improve drastically the present climate facing investors and home builders. More quality housing can be produced at the lowest possible cost by the private sector, but I believe our national government must realize the crisis that Canada's housing industry is now in and take appropriate fiscal measures in a new federal budget focusing on this problem.

Our people possess skills and expertise to match the best the world can offer. In every sector of activity—in manufacturing, science, social programming, resource development and the arts—Ontarians have demonstrated their ability to be world leaders. It is a commitment of this government that our people remain world leaders. It is our belief that all Ontarians should

have the opportunity to develop to their highest potential.

The success of the program of carefully budgeting new programs around existing funds has proved that a system of humane, just and equitable social and economic programs can be maintained, expanded and improved within the framework of fiscal restraints. The result is a stronger economy and a society in which we can live with a sense of dignity and self-worth and which is always on hand to help those in need.

I call on every member to join me in supporting the Treasurer (Mr. F. S. Miller) in the adoption of the 1981 budget.

**Mr. McKessock:** Mr. Speaker, I am pleased to be able to rise and talk a little bit on the budget, until the Minister of Agriculture and Food (Mr. Henderson) comes in and then I will say a bit on agriculture.

When I look at the budget the only thing I can think about is the deficit. I have been talking about the deficit of the Ontario budget ever since I came into this House in 1975 and it certainly is not improving any. In fact, 12 years ago the Ontario government was \$4 billion in debt; today it is \$17 billion. We have gone more than \$1 billion deeper in debt every year for the past 12 years.

**Hon. Mr. Ashe:** That would only take about one year for the feds.

**Mr. McKessock:** Are you comparing Ontario to the whole of Canada?

**Hon. Mr. Ashe:** Well, we give them nearly half their money.

**Mr. McKessock:** No wonder this government has a deficit with that kind of figuring.

When I look at the budget near the back of the book, I see the interest on the deficit is the third largest expenditure in here—almost \$5 million a day in interest. Of course agriculture takes a very small part of it.

**Mr. Wildman:** He wants to decrease the deficit but increase the spending in agriculture.

**Mr. Nixon:** You got it.

Interjections.

**The Deputy Speaker:** Order please. We were getting along so nicely until Mr. Laughren and Mr. Nixon came back in.

**Mr. McKessock:** I notice there is a contingency fund down at the bottom which takes almost as much as agriculture. I looked up "contingency" in the dictionary and it says, "Happening by chance or unforeseen causes; not logically necessary." It fits into the very



same category as agriculture. It also gets about the same amount of dollars; it is a kind of petty cash fund.

It is very strange to see this deficit continue year after year, especially when the Premier (Mr. Davis), in the Brampton charter four years ago, said we would be balancing the budget by 1981—that is this year. What happened this year in the budget? The deficit was 25 per cent larger than last year's. So now we stand with the biggest deficit ever at \$17 billion, costing us close to \$5 million a day in interest.

I agree with the member for Simcoe East (Mr. McLean) that we should take a page out of the county and municipal councils' book when it comes to running a deficit. One never sees a county or a municipality run a deficit. They still know how to balance budgets.

**Hon. Mr. Ashe:** They are not allowed to run a deficit, that's why.

**Mr. McKessock:** Since the member suggested that, I hope he will put some input into the government side of the House to see it too balances the budget over the next year or two. In fact, I think the member said he also had a commitment to balance the budget but this commitment keeps moving further away from us every year.

The rise in income tax from 44 per cent to 48 per cent was not really to get more money. We know that with inflation and wages going up all the time the government gets more taxes every year anyway without raising the percentage—

**Hon. Mr. Ashe:** Ever hear of indexing?

**Mr. McKessock:** Yes, that is the next point—the gas tax; that is what the government did there.

**Hon. Mr. Ashe:** I thought you were talking about income tax.

**Mr. McKessock:** Yes, the government indexed it. It put the gasoline tax at 20 per cent now instead of a flat fee, so it now is really getting more from the increases in gas than is the Alberta government itself. I guess it was a smart move on the government's part to put it at 20 per cent. Now they don't have to come back to the Legislature any more to get increases in the gas tax; they just automatically come along as the gas price goes up. They now have no more room to criticize the Alberta government for the increases in gas prices.

10 p.m.

The Ontario health insurance plan premiums, the other place where they raised the tax, are very unfair to the small businessman and the

farmer who have to pay their own premiums. Sure, the majority of the people get them paid by their business or their company, just as the members in here get them paid, and they do not feel it. The guy it hurts the worst is the guy out there who has to pay it himself, the small businessman; he is going to feel it the worst. It really was not fair to raise it for him, because he was actually paying enough as it was.

When you add the OHIP increase to the income tax increase it gives us about the biggest tax payable in Canada. I believe it was the Treasurer (Mr. F. S. Miller) who stated that we were not nearly the highest, but most other provinces do not have premiums; well, Alberta and British Columbia have premiums, but they are about half of Ontario's premiums.

I mention the \$1-billion deficit that we did not expect but got again, together with all these increases. A lot of people have told me they would not have minded the increases in the taxes if the government had balanced the budget, but when we get an increase in tax and still a deficit of \$1 billion the government really does not seem to be giving the public any encouragement. It is taking their money, but they really do not seem to be getting much for it.

It is really not hard for the government to look good when it spends all its tax revenues and then goes out and borrows another \$1 billion and spends that as well. All of us could look pretty good if we spent our wages and then continually borrowed money and spent that as well. But then the individual or the businessman finally has to pay for it; there is a day of reckoning when he has to pay it off. I am sure the government is going to come to this day of reckoning very shortly too, and it will probably be four years from now, if it does not happen before then.

It amazes me how the people in 70 of the ridings across Ontario—or the shareholders in this company—could support a company and vote the directors back in when the company continues to lose money.

Something else that always amazes or amuses me in the budgets is when I read some of the opening statements by the Treasurer. He usually says something like, "We are very pleased to inform you we have come in with a budget that is half a million dollars under what we projected we would spend," or, "We saved half a million dollars under what we projected." I believe that is what he said last year.

So he turned to something different this year. This year he said: "This government is commit-

ted to ensuring continued economic growth and development for Ontario and to providing quality public services for our citizens. My budget plan for this fiscal year clearly recognizes these fundamental priorities, while taking into account the need for an appropriate level of revenues."

Funny he should talk about an appropriate level of revenues but does not say much about expenditures. Of course, after saying these things he presents a budget that has a 25 per cent greater deficit than last year. That, to me, is a strange way to balance a budget.

**Mr. Boudria:** No wonder all the Tories went home; they are ashamed.

**Mr. Gillies:** We are all here.

**Mr. Boudria:** Proportionately we are four times as numerous as you are.

**Mr. Speaker:** Allow the member to continue.

**Mr. McKessock:** I want to mention that a year ago, when I brought my resolution on agriculture and rural hydro rates into the House, the minister made a commitment that day that he would ask Ontario Hydro to move towards bringing rural hydro rates more in line with urban rates. As honourable members know, rural rates are 29 per cent higher than the average urban rate. We did not hear that commitment advanced again in this budget but I certainly hope the Premier is not going back on the commitment he made.

I want to say a little bit about agriculture. I tend to think that if we did not have a federal government, the present minister would not have anything to say at all about agriculture.

**Mr. Boudria:** Tell us about the Minister of Agriculture and Food.

**Mr. McKessock:** The Minister of Agriculture and Food is quite a large man in stature but when it comes to talking—

**Mr. Piché:** That is a racist remark.

**Mr. McKessock:** He is similar to the guy over at the other end. When it comes to talking for the farmers, there are two things he says: he supports the Ontario farmer and it is the federal government's fault.

Today the minister mentioned that it was unfortunate the federal government was going to deduct the hog stabilization payment from its stabilization plan. He made a big point out of that. The action is understandable; it is doing that with all provincial stabilization plans across the country. The thing is, the federal government is not going to have too much problem with Ontario because it has only a very small

plan, the sow plan; that is about all it has.

So really, if the minister wanted to get around the problem that he says he has with the federal government deducting the province's payments from the federal plan, all he has to do is come in with interest rebates. There have never been any deductions from the federal plan on that. They should take a look at the other provinces and what they are doing and do the same for Ontario farmers.

I have a stack of things the other provinces are doing that are far too numerous to mention.

**Mr. Boudria:** Go ahead, tell us. It's a great speech.

**Mr. Gillies:** Dispense.

**Mr. McKessock:** I will just tell you about Quebec's commitment to agriculture. Quebec has an extensive and well used set of programs for loans and grants to agriculture. The main emphasis of these programs is on interest assistance on long-term loans, although some assistance is given on medium-term loans. Production credit is not subsidized, although these and all loans made under the Quebec system of credit for agriculture are guaranteed by the provincial government. So no farmer is going to go bankrupt in Quebec.

We have farmer after farmer going bankrupt in Ontario, not because they are poor farmers but because of the price of beef and hog fodder and especially because of the high interest rates; but in Quebec, the province is guaranteeing these loans for the farmers.

Quebec also has a program that allows the Lieutenant Governor in Council to declare critical periods. This permits temporary loan assistance to be made available under conditions of natural or economic disaster. In addition to these programs, Quebec also offers an intra-subsidy on farm credit corporation loans and makes grants for permanent improvements to farms. All these programs are presented in more detail.

**Mr. Wildman:** Where?

**Mr. McKessock:** They are right here if the member wants them, but I am not going into them.

**10:10 p.m.**

In the beef business, and this is most critical in Ontario today, one can get assistance to build a feedlot in Quebec—\$100 per head for up to 400 head, which means one can get \$40,000 in subsidy to build a feedlot. One can get eight per cent money to buy the feeder cattle and then one is guaranteed 90 cents—or, as the minister



told me the other day, 96 cents—for the finished beef.

Quebec is certainly moving to upgrade agriculture in that province, to make sure it comes out on top and that they don't go back, they go ahead. With what is taking place in Ontario, I am afraid we are going to be losing our agriculture to the other provinces because we are not taking the steps other provinces are to hold agriculture here. What is happening is that a farmer in Ontario goes broke and the production is picked up by the farmers in Quebec or Alberta or some of the other provinces.

The drainage program was talked about earlier. I notice in our budget estimates for this year there is \$5 million less towards the drainage program than there was last year. No wonder the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson) brought in a resolution on tile drainage—\$5 million less in this year's budget than last year's. In Quebec, not only is there an eight per cent loan for grants, but they pay 50 per cent of the cost of the tile drainage.

What happened when the minister sent the letter out to the municipalities asking them to consider giving only 50 per cent of the money towards the drainage project instead of 75 per cent? This in fact increases the interest rate to that farmer 60 per cent, because he has to pay 22 per cent on the other 25, and eight per cent on the 50; so if we balance that out it is a 60 per cent increase on the interest rate.

Interjections.

**Mr. McKessock:** We can't blame that one on the feds.

**Mr. Speaker:** Order. Mr. McKessock has the floor.

**Mr. McKessock:** We could take this contingency fund at the end of the budget year and put it in agriculture and double the agricultural budget overnight.

Interjections.

**Mr. Speaker:** Just carry on with your speech.

**Mr. McKessock:** To give you another example of how Quebec is boosting agriculture, Mr. Speaker, the government pays a \$50 premium at the rate of \$10 per year for each ewe lamb with fewer than four teeth, being suitable for breeding.

Interjections.

**Mr. Speaker:** Order, please. I find this extremely interesting.

**Mr. McKessock:** If you have ewe lambs with fewer than four teeth, Mr. Speaker, you can get a subsidy of \$10 per year, so they are really

trying to build up their sheep production as well.

Another problem we have been talking about recently is the disappearance of farm land. There was mention made in the House recently about the application in Vaughan township for the use of farm land. The minister today said that land was not suitable for farming; it was rolling and unfit for farming on a large scale. The minister should take a trip to Switzerland and see what kind of land you really can farm. The little knolls you find in the town of Vaughan will certainly not compare with any of the farm land you will find in Switzerland.

When I was looking at a farmer's potato patch in Switzerland, I asked him, "How do you grow potatoes in that steep field?" He said: "It is really quite economical. They grow well. When it comes to harvest time, you pull the plant at the bottom of the field, the rest of the potatoes all roll down the hill and you gather them at the bottom."

So the minister should take a little trip to Switzerland and he would soon find out that the land in the town of Vaughan is quite suitable for farming. Farm land is a gift of nature, and it is being stolen and exploited in Ontario.

I want to mention a wee bit about industry and tourism. I will combine that a bit with disappearing farm land. If we were to stop the use of farm land around Toronto, industry would have to move out to the smaller centres around Ontario.

**Mr. Wildman:** Bring it up north.

**Mr. McKessock:** Up north, down east, in the southern parts or wherever. We have lots of land up in our area that is not suitable for farming, but it is quite suitable for putting industry on. It is just deplorable to be using this good farm land around the cities in southern Ontario to build houses and industry when we have other land across Ontario that could do this just as well.

**Mr. Wildman:** What about retirement income for farmers?

**Mr. McKessock:** We will get to that.

When it comes to industry, I would hope they would come up with some less complicated plans. When you get through the complication of the plans they have now for helping industry, there is really nothing left.

Here is a nice little booklet, Profit Kit, that is sent out by the Minister of Industry and Tourism (Mr. Grossman). To send this to constituents is like sending them tear gas, because they will start to cry when they finish it. They have all

these things that the government is doing for them, such as:

"Launching a new program? We'll get you off the ground. Trying to sell government? We'll point you in the right direction. Production problems? We'll help you manufacture higher profits. Need backing on your investment? We'll help you out. Need financial foresight? Our computer will tell you the score. Need to target your goals? Use our counselling services."

**An hon. member:** Sounds like a fairy tale.

**Mr. McKessock:** It is a fairy tale.

"Let's build together," and it has a whole bunch of building blocks on it. "Putting new ideas into production? We'll help finance the expertise," and it has a lot of tinker toys on the front of that. "Puzzled by the business problem? We'll help you put the pieces together," and it has a crossword puzzle on that. "Research? We'll pay 90 per cent of your tab in the lab."

They list all those things, but the trouble is, don't try to get them. The government is very good at advertising. The thing the government is best at doing is advertising. I will admit they are really good at it. That is where we can save a lot of that money to put into agriculture. We could triple 10 times over the amount of money going into agriculture if we saved some of that money from advertising. This booklet represents some of that advertising.

When one looks at the Board of Industrial Leadership and Development program, what is it? They sold it all across Ontario. Again the advertising was great. They sold it; everybody bought it. But when you ask them what it is, nobody can explain it. Nobody knows. Is there anybody here in the House who can explain the BILD program or tell us what it is?

Interjections.

**Mr. McKessock:** Just as I thought, nobody can explain it.

**10:20 p.m.**

**Mr. Boudria:** It is going to help agriculture by cutting back on tile drainage.

**Mr. McKessock:** This is what we hear when they talk about the BILD program: new initiatives, research, boost our economy, balance essential development and fiscal health, harmonize settings for industrial relations. Do members know what that is?

**Mr. Wrye:** Words.

**Mr. McKessock:** Words; that is all it is, a bunch of words.

If they could come up with a simple program,

that is all that is needed. They would not need any advertising; it would advertise itself. The old agricultural rehabilitation and development administration program was great. If one created a job, one got \$5,000. Is that not simple? If one created 40 jobs, one would get \$200,000, just like that, as a grant. There was nothing to it.

**Mr. Boudria:** They abolished it because it worked.

**Mr. McKessock:** That is right. It worked, so it was no good around here. I would like to see them go back to that. If they would turn the BILD program into that kind of setup and say: "Here are the regulations for the BILD program. Create one job and you get \$5,000; two jobs, \$10,000," it would not be hard to explain and everybody would know where they were.

I asked about the BILD program today. I know of a company that wants to make a \$400,000 expansion, which is pretty insignificant, they tell me. If a company is looking for \$75 million, such as Massey-Ferguson or Ford, the government would take a look at it. That \$75 million we guaranteed to Massey-Ferguson the other day would have saved every farmer and small businessman in Ontario who went bankrupt this last year. Perhaps it has saved one company. Figure it out: it would have saved every farmer and small businessman who went bankrupt.

**Mr. Brandt:** Did you vote for the Massey-Ferguson bill? You cannot have it both ways.

**Mr. McKessock:** I would like to have it one way.

I should say a little on culture and recreation since the minister is here.

**Mr. Boudria:** Tell us about the Wintario minister.

**Mr. McKessock:** The Wintario minister is in his seat. Actually, we have just finished his estimates so we have gone through quite a bit. The propaganda that went around at election time was interesting. I mentioned this the other day.

**Hon. Mr. Baetz:** Are you still worrying about that? You lost that riding, so forget about it; it is all over.

**Mr. McKessock:** I am not really worried about it. I was interested in the fact that came out in committee yesterday, that the Liberals got a bigger percentage of the Wintario grants than the other two parties. That was such a reversal of what was said during the election



campaign. It was said that if one was not a Progressive Conservative one would not get anything.

Interjections.

**Mr. Speaker:** Mr. McKessock, just ignore the interjections and carry on. Talk to me if you will.

**Mr. McKessock:** Thank you, Mr. Speaker. I am certainly pleased that the statements about Wintario have been changed around since the election anyhow.

**Mr. Wildman:** If you look closely at the figures, they were there before the election.

**Mr. McKessock:** I know they were. The reversal that has come since then is surprising.

The member for Simcoe East mentioned launching another \$2-million tourist advertising campaign. There they go again with their advertising bit—\$2 million. They are good at it.

**Mr. Gillies:** How much does tourism bring in?

**Mr. McKessock:** Well, it is good for my area. I hope they are advertising the great slide ride and the slipper dipper ride up in Collingwood township so everyone will take a ride up there this summer, have a look and try it out. Those ski lifts are still there to be made good use of in the summer as well as in the winter. They have to keep them going all year round to make things work right and to entertain the people in Ontario.

The Niagara Escarpment issue is still with us. I wish the minister in charge of that area were in the House. I hope he is familiarizing himself with the Niagara Escarpment issue. It is definitely something we should get cleared up and out of the road. It has been going on for 10 or 12 years.

At the time it started maybe there was some justification for thinking about having special controls in the Niagara Escarpment area, but since that time the official plans and zoning bylaws in the municipalities and counties have come along so swiftly they now have gone ahead and surpassed the Niagara Escarpment Commission planning. As a result there is no longer a need for the Niagara Escarpment Planning and Development Act and the Niagara Escarpment Commission.

There is another place we can save money: we can save a couple of million dollars by doing away with the Niagara Escarpment Commission and the act.

**Hon. Mr. Baetz:** I will see you in Owen Sound.

**Mr. McKessock:** I will be serving him dinner that night. He should not hesitate about what he eats. It will be good food because it will be Grey county beef, spiced with a little horseradish. He will be right in the thick of the Niagara Escarpment. This is what I am talking about. It is beautiful country. We do not need excessive controls; we do not want to be controlled differently from anyone else in Ontario.

**Hon. Mr. Baetz:** You keep it beautiful.

**Mr. McKessock:** We will keep it beautiful. We have for hundreds of years. We do not need the other controls on it. Some of the things going on in the Niagara Escarpment are a little ridiculous.

I have a file here from a lady who owns a farm in Kimberley. The Bruce Trail crosses it. It is right on the escarpment edge. She applied for a development permit. She was going to sell half of it to her brother. Her application was turned down. She allows the Bruce Trail walkers to walk across her place. It does not make sense.

She said, "Okay, if you don't want to give me a permit, then the government can buy half of where the trail is and then you will own the right to walk across it." The government is still trying to make up its mind whether to buy it or not. She said, "Well, there is nothing else for me to do but put signs up and keep everybody off it."

It takes them so long to do anything and to get around to wondering what is the best thing to do. I have a letter here from the chairman who says they are going to try to negotiate an easement across it, and if that does not work they will recommend buying it.

One would think they would jump at the chance to buy it. She could sell it to somebody else; she could decide to keep it, put up signs and nobody could walk across it. It would be her property. It would be gone from the Bruce Trail for good. They have the opportunity to buy it, she has agreed to it and they are stalling. The Niagara Escarpment Commission and the act have been a mess from the word go. It is just a buildup of stalls, fumbles, flukes and one big mess.

**Mr. Speaker:** I would remind the member of the time.

**Mr. McKessock:** Oh, yes, the time is just about up.

**Mr. Speaker:** I think it is up.

**Mr. McKessock:** Okay. I probably have given

the government about all they can absorb for one night anyway. I will carry on at some later date.

On motion by Mr. McKessock, the debate was adjourned.

**Mr. Speaker:** Just before we leave I would like to remind the members that during the supper recess the proceedings of the unveiling of the

portrait of the former Speaker, Jack Stokes, were recorded by Hansard. I would like the permission of the House for this to be included as an appendix to Hansard.

Agreed to.

The House adjourned at 10:31 p.m.

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# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Friday, May 29, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Friday, May 29, 1981

The House met at 10 a.m.

Prayers.

## ORAL QUESTIONS

### ABSENCE OF MINISTERS

**Mr. Smith:** Before I ask any questions, Mr. Speaker, may I ask the government House leader whether he expects some members of the ministry to be present this morning?

**The Deputy Speaker:** Is that the first question?

**Mr. Smith:** No, it is not the first question, but it is a fairly serious question. The ministers are obviously responsible individuals. I would hope a number of them will be here. At the moment, out of 27 ministers there are eight in the House, so less than a third of the ministry is here. Is there any chance we could—

Interjections.

**The Deputy Speaker:** Mr. Smith, I would suggest under the circumstances that we extend oral questions by one minute, which might give ministers an opportunity to enter the chamber. Is that agreeable?

One minute has expired. I would like to call on the Minister of Revenue for an answer to a previous question.

### SYLVESTER COMPANIES

**Hon. Mr. Ashe:** Mr. Speaker, in reply to questions earlier this week I would like to assure the member for London Centre (Mr. Peterson), who unfortunately is not in his place as yet, that my staff has been investigating the conduct of the London-based small business development corporations and is continuing to do so. This is being done in co-operation with professional advisers representing the corporations, with whom meetings have been held and who are conducting the investigation on behalf of the shareholders.

Since the investigation is ongoing and nearing completion it would be premature for me to comment further on the member's questions at this time. I would remind honourable members of the the confidentiality aspects of information about the corporations' affairs. However, I will

report further at a later date to the extent that I am able to do so under the secrecy provision of the Small Business Development Corporations Act.

### ASTRA/RE-MOR

**Mr. Smith:** In the absence of the Minister of Consumer and Commercial Relations (Mr. Walker), I will address to the government House leader my question on the Astra/Re-Mor matter and how we are to proceed. Given that many people in Ontario believe there has been at the very least negligence on the part of certain members of the ministry in handing out licences, and also on the part of the Ontario Securities Commission in its dealings with Astra, Re-Mor and related companies, and possibly even wrongdoing on the part of individuals within those organizations; given that the government has a majority both in the House and on the justice committee and can effectively block any investigation into the role played by the ministry and/or the Ontario Securities Commission; and given that the majority can also block, and so far has blocked, any judicial inquiry into this matter—

**The Deputy Speaker:** The question is coming, is it?

**Mr. Smith:** It is an important preamble, Mr. Speaker. Can the minister advise the House what he believes is the means by which the role of the ministry and the OSC in these matters can be examined in public view in Ontario?

**Hon. Mr. Wells:** Mr. Speaker, I think the answer to that question should quite appropriately be given by the Minister of Consumer and Commercial Relations. I think he has answered questions very similar to that many times. I indicated when this House opened that he would make a statement about the Re-Mor matter, as we call it. He made that statement. The justice committee has had several discussions about it, and it is my understanding that the matter is proceeding as it should.

10:10 a.m.

**Mr. Smith:** I ask the minister, as one of the reasonable members of the cabinet, when he gives an answer of this kind, to consider that the answer given by the Minister of Consumer and



Commercial Relations was that the matter was before the committee and also before the courts. Given that the committee, which also has a majority under government direction, has decided not to allow either an outside inquiry or an inside inquiry, and that the minister still seems to feel the courts are of some importance in this matter, is the minister unaware that the courts can deal only with two aspects? The first is whether Mr. Montemurro is a crook, and that has nothing to do with how the OSC and the ministry have functioned; and the second is the matter of negligence. I wish the minister would pay attention. I am attempting to make a serious point.

**The Deputy Speaker:** Dr. Smith, is that your question?

**Mr. Smith:** I did not get to the question part, Mr. Speaker. The minister is not attending to the key elements.

The two elements in front of the courts are, first, any criminality on the part of Montemurro. That is not an issue, as the minister knows, in the justice committee. That is not being considered. It is the role of the government ministry and the OSC that is being considered. The other matter in front of the courts is the civil suit against the government. In that case, examining the matter here can prejudice no interest except the government's interest, and it is not the job of the government to protect its interest by blocking an investigation. Under these circumstances, will the government House leader please tell us where the matter can be looked at publicly and whether the OSC and the government will ever answer to anybody on their functioning in this matter?

**Hon. Mr. Wells:** Mr. Speaker, I just want to reiterate what I said a few minutes ago. If my friend would put that question to my colleague the Minister of Consumer and Commercial Relations, he can fully explain that. It has been indicated time and time again that the commitments of the Premier (Mr. Davis) will be followed through on, and I think the people of this province and the people concerned in the Re-Mor matter know of those commitments. There is no attempt to hide this matter under any rug or in any way deal with it in the manner he would have us believe. I believe it is being dealt with in a compassionate and concerned manner, but perhaps not in a spectacular manner, as he would wish it to be dealt with.

I believe the member can get the answers he wants from the minister when he is here. I

believe the committee has heard those questions and answers have been put to them. I guess the problem is that the answers and the course of action do not quite mesh with the way he thinks the course of action should go.

**Mr. Swart:** Supplementary, Mr. Speaker: Given the minister's statement that the Premier will keep his promise on this matter, given that the Premier committed himself to compensating the victims of Re-Mor if government negligence was proved in the licensing of Re-Mor—a statement made on several occasions, particularly in St. Catharines—and recognizing now that the Conservative majority in the justice committee has blocked the attempt of the opposition parties to have this matter referred to the courts under the constitutional powers that the government has to fully determine if there was government negligence—the government House leader will know that the cases before the courts are not related to government negligence but to government liability, and there is a substantial difference—will the minister now assure this House that there will be a court ruling on the issue of government negligence so that the Premier can keep his promise?

**Hon. Mr. Wells:** Mr. Speaker, I do not think I can add anything to the answer I have already given. I was very clear. The Premier's commitment was that if government negligence was found, the claims would be paid.

**Mr. Nixon:** Supplementary, Mr. Speaker: Would the House leader give consideration to bringing forward the report of the justice committee that was presented to the Clerk of the House just before the dissolution of the previous Legislature? The minister is aware that other such reports have been brought forward for debate in the House. As a matter of fact, I understand we will be doing one on Thursday of next week. Why can't that Re-Mor report come before the whole House? While it would not satisfy the opposition entirely—far from it—at least that kind of debate would give it a thorough airing in this chamber.

**Hon. Mr. Wells:** Mr. Speaker, my friend was at the meeting of the House leaders when we discussed this. I indicated in my statement on opening day that the committee itself would consider how it would wish to handle the Re-Mor matter. It is my understanding that the justice committee has made certain determinations. I think they have spent something like six hours discussing this particular point now. I can



see no indication in those discussions that anyone is trying to sweep this thing under the carpet or get it out of the way.

It has been made very clear that certain things have to take place. I suspect that at some time in the future that committee will be fully discussing this matter again.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Who will determine negligence? Is it the government's intention that there will be a determination of negligence, after which the Premier's commitment to compensate if negligence is proved will be carried out; or has the government erected a catch-22 situation where it promises to compensate in the event of negligence but blocks all efforts to determine whether or not negligence took place?

**Hon. Mr. Wells:** I am not a lawyer, nor is my friend a lawyer. In very simple terms, I have always believed the courts eventually decided on negligence and I would believe in this particular case, at some point in time, the courts will be deciding on that matter.

#### ELECTRICITY ADVERTISING

**Mr. Smith:** I have a question for the Minister of Energy. Does the minister agree with the radio and television advertising that is being sponsored by the Electrical and Electronic Manufacturers Association of Canada, with one Kate Reid generally speaking expounding the virtues of electrical energy as allegedly made here in Ontario as opposed to other forms of energy that she refers to as imported forms of energy, which includes natural gas? Does the minister agree with that advertising? Does he not feel that those ads are somewhat misleading and seriously anti-Canadian?

**Hon. Mr. Welch:** Mr. Speaker, I think the organization that is sponsoring those particular ads has a definite point of view that it is sharing with the listening and reading public of Ontario. They are inviting them to consider the electrical option. Indeed, the emphasis with respect to electricity and the place it will play in ensuring the energy future of Ontario is part of government policy as well, as the honourable member knows.

**Mr. Smith:** I would hope the minister at some point would take his courage in his hands and state whether he agrees with the primary theme of those ads or not. As he knows, they include the clear and bald statement that if people heat with anything other than electricity they will risk interruption of supply. Furthermore, they

make the statement that apart from electricity, which is allegedly home grown in Ontario, other forms of energy are imported.

Is the minister familiar with Darcy McKeough's view about this? Mr. McKeough has said that these statements are un-Canadian and totally misleading. Is the minister aware that the ad says electric heating is made totally in Ontario, when in fact electric heating of homes requires the peaking of generating stations that are run by coal, most of which is imported?

Does the minister not feel therefore that anything that says to Ontario people that they cannot rely on natural gas from Alberta and tells them electricity is all home grown, when the coal is from Pennsylvania or Michigan, is, as Darcy McKeough says, seriously misleading advertising?

**Hon. Mr. Welch:** Mr. Speaker, the honourable member and other members of the House know that government policy is to endorse enthusiastically the off-oil emphasis of the national energy program. Details of that program have been announced in the past two or three days.

**10:20 a.m.**

The emphasis is to get Canada in a position of self-sufficiency with respect to crude oil in 10 years. Very important aspects of that are conservation—a message the member quite effectively underlined yesterday in his own resolution—and the whole area of substitution.

We are anxious to ensure in this jurisdiction that the consumer has all the information he or she needs with respect to the implications of converting from oil to other fuels to be able to make an intelligent decision with respect to them. The fact that some organization with a particular interest is bringing that emphasis into its advertisements is another matter. If there are those who suggest some aspects of those advertisements are incorrect or misleading, I assume there are routes which can be taken with respect to what may be the code of advertising regulations. They might want to take advantage of that.

As far as the people of Ontario are concerned, the important point is for us in this Legislature to know that we have a valuable contribution to make towards the whole question of self-sufficiency and that the off-oil program includes conversions to natural gas, electricity and solar power. There are a number of combinations. The important point is to make sure people have the advice they need to make an intelligent choice.



**Mr. J. A. Reed:** Supplementary, Mr. Speaker: Will the minister undertake to place on other options an emphasis equal to that being placed on electric power at the present time; and will his ministry's publications begin to tell the truth and not publish half-truths? In one specific instance, the numbers were extended on the increase in relative fuels but were not extended to the cost per BTU when the cost of natural gas, by the government's own calculations if one extended the figures, would be one third of the price of electric power. Yet the publication was intended to show that somehow natural gas was increasing at such a great rate it would soon exceed the price of electric power. Will the minister undertake to see that publications from his ministry are balanced and tell the whole story?

**Hon. Mr. Welch:** I am just as sensitive as the honourable member to the principle of accuracy. If the member could provide me with specific information as to inaccuracies in any publication of the Ministry of Energy, I would be grateful. Subject to it being checked out, I would make any corrections or changes. I hope the member would be specific with respect to both the publication and the information in it.

I repeat what I said to the Leader of the Opposition. The important information which the consumers of Ontario require is all the facts and figures with respect to the various options. I am not aware of any information, and the member will find nothing I have said in the way of speeches, which does not speak of all the possible options available to consumers as we encourage them to get off oil.

**Mr. Cassidy:** Supplementary, Mr. Speaker: The capital cost to expand a nuclear power plant for one 1,000-watt heater is about \$2,000 and the capital cost to expand a nuclear power plant to heat a home electrically is maybe 10 or 12 times that, or \$20,000 to \$25,000. Would the minister undertake to table in this House a study of the costs of expanding nuclear power capacity in Ontario for electric heating needs on the basis of the added cost per average home that is heated electrically, to show how costly this capital program would be and why we need to look for alternatives to get us not only off oil but also off electricity?

**Hon. Mr. Welch:** Mr. Speaker, the honourable member knows there are many vehicles available to him to obtain this type of information or any information, by tabling a question in the House or putting a question on the Order

Paper. If there is some specific information he would like to have in order to fully appreciate what the various options are, I would be very happy to see that information is provided.

I think the emphasis has to be, once again, on the national goal of self-sufficiency as far as Canada is concerned related to oil. The member, his friends and all the public of Ontario should have all of the information required to make an intelligent decision with respect to the route they go for conversion. If the member requires any further information, if he would simply table those questions I would be happy to get whatever information is available.

#### GRANT TO BOISE CASCADE

**Mr. Cassidy:** Mr. Speaker, I have a new question of the Minister of Labour, responsible for collective bargaining and the state of labour relations in the province. The minister is undoubtedly aware that on Monday at 11 o'clock in the town of Kenora at the Kenricia Hotel, representatives of the federal and provincial governments will be on hand to announce a \$12 million federal-provincial grant to the Boise Cascade company for its pulp and paper operations in northwestern Ontario. The grant will be under the Board of Industrial Leadership and Development program, as far as Ontario is concerned.

It will be a grant which we understand will lead to the elimination of 372 jobs, or about \$35,000 in grants for each lost job. Was the minister consulted about that grant? Did he approve that grant? Could he explain why it is the government of Ontario is giving a multi-million dollar grant to Boise Cascade at a time when a legal strike by the Lumber and Sawmill Workers Union is still in progress against that corporation? It is therefore at a time when a grant means the government is no longer neutral in a very difficult and long-standing labour dispute.

**Hon. Mr. Elgie:** Mr. Speaker, I will not reiterate the numerous statements that have been made by members of this government with regard to the granting of joint federal-provincial funds to upgrade the pulp and paper facilities in this province. The members well know those arguments. I take it from the member's remarks he is totally opposed to the giving of this grant to the Kenora group in order to upgrade that mill to secure long-term employability for those employees who will remain. So we can take that as a first assumption—that the member disagrees with the government for trying to facilitate long-term and continuous employment of those employees in that mill.



As the member knows, I am not part of that committee that had to do with the granting of the money but I was consulted with regard to the manpower adjustment program.

**Mr. McClellan:** You're becoming pretty superfluous over there.

**Hon. Mr. Elgie:** If the member can hang on a minute he will get the answer.

I was consulted about the manpower adjustment program. In the light of the fact it was deemed to be very necessary to the long-term survival of that industry in that community, and in view of the fact the company had committed itself to a variety of steps in order to make the manpower adjustment process as good as possible, I do think the grant was justified. I think the company is endeavouring to make every effort possible to ensure a successful adjustment of those employees.

To facilitate that, there is a manpower adjustment committee in place with representatives from all the unions involved, and I understand it is proceeding.

**Mr. Cassidy:** Supplementary, Mr. Speaker, since the minister did not answer the major part of my question: On Monday as well, also in the town of Kenora, a dozen of the workers from the Lumber and Sawmill Workers Union are to be arraigned in court as part of the legal harassment the government of Ontario has carried out against that union over the course of the last few months. Could the minister explain how he, as the Minister of Labour, can continue to form part of a government which on the one hand is prepared to take sides by giving major grants to corporations that are still involved in a labour dispute and, on the other hand, continues the legal harassment of those workers who simply fought for collective bargaining rights that are meant to be guaranteed under the Labour Relations Act?

**Hon. Mr. Elgie:** Mr. Speaker, first of all I would suggest the member has no facts at all on which to base his charge of harassment. If he does, let him put the question directly to the Attorney General (Mr. McMurtry), who has responded to that previously in this House and in committee. He has clearly indicated that to his knowledge and following his investigation there is no suggestion of harassment. So that is kind of a pretty loose and frivolous accusation.

Let it also be clear that this Minister of Labour, as the member well knows, is always very actively interested in the rights of employees of any institution wherever they be. It was

my obligation to make sure that the commitments in this agreement were firmly recorded. I personally met with the president of the company to be sure of his commitment, so let there be no doubt about my role in this.

**10:30 a.m.**

**Mr. Cassidy:** The minister surely is aware that at the beginning, just before the election was called in January, there was what can only be described as harassment, where workers were picked up by the Ontario Provincial Police, were not even allowed to speak to their wives or pick up their wallets to have a bit of money, and were taken from as far away as Thunder Bay to Kenora in order to be arraigned. They were put out on the streets and had to make their way home over a distance of some 300 miles without money, without being offered a lift back. If that is not harassment, I do not know what is.

Would the minister come to grips with the main question? Why is it that the government is taking sides in this particular question by being part of a \$12 million grant to Boise at a time when there is still a legal labour dispute outstanding? Why was he not prepared to insist that Boise settle the labour relations problem first before they line up and put their hand out in order to get federal-provincial funds?

**Hon. Mr. Elgie:** Just so we understand very clearly, I know many of those people who have been charged and I happen to have a great deal of respect for most of them, but for the member to say, in the absence of a court hearing over the issue that is involved, that there has been harassment, I think is a little premature and immature.

He also knows very well the very active involvement that I had in the lumber and sawmill strike. He knows very well that Stephen Lewis and Bob Joyce were appointed to the disputes advisory committees to try to resolve that. It was impossible to reach a resolution and that is now over three years ago. Let there be no doubt in this House that this minister has actively reviewed the manpower adjustment program and has personally met with the president to get an assurance of his commitment.

**Mr. Cassidy:** Mr. Speaker, I was going to say that since the Minister of Agriculture and Food (Mr. Henderson) said he stood for the farmers, I have a question for the Minister of Labour to see whether or not the Minister of Labour stands for the workers, but the answer to the last question indicates—

**The Deputy Speaker:** Let's get on with the question.



**Hon. Mr. Elgie:** Mr. Speaker, on a point of personal privilege: I resent that remark and ask the member to withdraw it.

**The Deputy Speaker:** Mr. Cassidy, a new question please. No preamble please, just go to the question.

#### CANADIAN FARM WORKERS' UNION

**Mr. Cassidy:** I will address my question to the Minister of Labour. My question is this: Given that the Minister of Agriculture and Food takes his responsibilities to farmers so far that he has characterized efforts by the Canadian Farm Workers' Union to organize the farms of Ontario as interference with the right of farmers to run their own affairs, will the Minister of Labour repudiate that statement by the Minister of Agriculture and Food and will he tell this House what is the government's policy with respect to ensuring that farm workers have the same collective bargaining rights as other workers in Ontario and therefore the right to seek and to get collective contracts?

**Hon. Mr. Elgie:** Mr. Speaker, this government has always taken the position that farming has its own particular characteristics, and that by and large, even though there may be family incorporations, farming was a family type of business and there are other aspects of it that did not lend themselves readily to collective bargaining.

For instance, there is the short nature of the season. There is the perishable nature of the crops. There is the fluctuating nature of the work force. There are great variations in the hours that one can work. For those reasons, this government has always felt that farming had to be given some special consideration.

I am surprised at the member asking this question when his colleague the member for Hamilton East (Mr. Mackenzie) has repeatedly introduced a bill which adopts those sorts of concepts. Let me read that bill to him, Bill 103 this year, which excludes persons employed in agriculture on a farm by a farmer. I have to tell him that when he asks me that question, his own members recognize there are certain aspects of farming that are not adaptable to other forms of collective bargaining.

**Mr. Cassidy:** Is the Minister of Labour aware of the threats and the inflammatory statements that have been put forward by some farmers who have said for example, to quote Mr. Bosnjak, "I am really afraid there could be very bad violence," and that response by farmers to

the efforts of the farm workers' union to begin to organize in Ontario is a result of there being no legal framework for farm workers to organize in Ontario because of their exclusion from the Labour Relations Act?

Does the minister not feel that if the farm workers decide to organize it is better that they do so under the orderly provisions that are laid out in the Labour Relations Act than for the minister and the government to perpetuate a system of anarchy—a system where there are no rules and, therefore, where the kinds of actions that Mr. Bosnjak speaks about would not be prohibited and where that could lead to equally difficult actions by the farm workers who also have no legal rights to seek certification?

Rather than having those kinds of confrontation, will the minister not undertake to have the government give legal organizing rights to farm workers so that their right to organize can be exercised in an orderly fashion?

**Hon. Mr. Elgie:** Mr. Speaker, I think I have already indicated the government position. I have also indicated to the leader of the third party that one of his members has repeatedly introduced a bill that recognized at least the principles upon which the government had based its previous positions in the past.

**Mr. Mackenzie:** Supplementary, Mr. Speaker: I ask the minister not to make this kind of selective use. He knows I also have a bill in to cover farm workers. He also knows that the amendment, or the wording he is talking about, was designed to—

**The Deputy Speaker:** Is the question coming?

**Mr. Mackenzie:** Does the minister not know that what we were trying to do was to be responsible enough to cover a situation like the mushroom farms and nothing else? Even where there is a factory, he will not do it. His use of that bloody bill is dishonest.

**Hon. Mr. Elgie:** Mr. Speaker, the bill is there for people to read, and it confirms the social principles and approaches I have spoken about.

**Mr. Cassidy:** Will the minister agree that it is unfair to farm workers that they should also be excluded in Ontario from both health and safety legislation and large parts of the Employment Standards Act? Will the minister not undertake on behalf of the government now to treat farm workers on a basis of equality with other workers in Ontario by extending the protection of those acts to them so that the situations that would provoke a need to organize can be resolved by treating farm workers like everybody else?

**Hon. Mr. Elgie:** As the leader of the third party knows, when the occupational health and safety bill, Bill 70, was debated in this House, I indicated that farming operations were being excluded, and I may say that the official opposition agreed with that point of view.

It also was put in the legislation that farming operations from time to time could be included by regulation. There is at present, and has been now for the past year, an ad hoc joint committee with farmers and government reviewing the problem of what approaches might be taken with regard to health and safety in farming operations.

But the member well knows there is already other legislation, such as the Pesticides Act, which deals with some aspects of farming operations. It is not an easy matter to deal with, but we are facing it and we are having discussions about it now.

The Employment Standards Act has not applied directly to farming operations in the past, again for the very reasons I gave before—the changing nature of the work force, the need to change the hours of work depending upon the circumstances and the perishable nature of the crop. Let me tell the member that on a contractual basis the employment standards branch is entitled to, and does, collect unpaid wages and other benefits that are part of a contract.

#### ALL-ONTARIO PITCH-IN DAY

**Mr. G. I. Miller:** Mr. Speaker, I have a question of the Minister of the Environment (Mr. Norton), but in view of the fact he is not here this morning I will ask the Provincial Secretary for Resources Development.

Is the minister considering setting a date for an All-Ontario Pitch-In Day similar to that held on June 7, 1980, when citizens all over Ontario participated in an environmental blitz?

**Hon. Mr. Ramsay:** Mr. Speaker, I am not aware of any plans by the minister to do that, but I will be happy to check with him upon his return.

**Mr. G. I. Miller:** As this bill was accepted by the Minister of the Environment in 1979 to have an All-Ontario Pitch-In Day, will the minister consider extending it to include the Ministry of Education and the Ministry of Transportation and Communications, to add to the success of this project?

**Hon. Mr. Ramsay:** I am really not familiar

with the subject the member has brought up; there is no sense in trying to pretend that I am. I will have to take it up with the minister.

10:40 a.m.

#### UREA-FORMALDEHYDE FOAM INSULATION

**Mr. Mackenzie:** Mr. Speaker, I have a question for the Minister of Health.

Is the minister aware of the information I have been given by local health officers that the equipment they have to test the urea-formaldehyde foam insulation will not test in most cases below 0.5 parts per million and the sensitivity level—this I get from the local health officer—is between 0.01 and 0.05?

Is he also aware that the cost now to do a test, if it is requested, is at least \$200 and therefore, I am told, they cannot do any testing, at least in the Hamilton-Wentworth area?

How can we assure that people who want to have their homes tested—and I certainly have a number coming into my office—can get a proper test of the sensitivity levels of the urea-formaldehyde foam insulation?

**Hon. Mr. Timbrell:** Mr. Speaker, I am not only aware of it; I have said here at least three or four times that we do not have—and I pointed this out repeatedly to the federal minister—all the personnel or equipment we need to carry out the work that is necessary.

I have indicated repeatedly to the federal minister that we are prepared to make available to her and her officials the equipment and personnel we do have as part of the follow-up work to the report that she tabled a number of weeks ago and based on which she instituted the ban on this commodity, which they had approved for use in the Canadian home insulation program and which we had never approved in our building code in this province.

Yes, I am aware of it. That is why—and I hope with the member's active support—I am keeping the pressure on the federal government to do that which is necessary to clean up this problem. I understand that yesterday we had a call from her office that a response was on its way. That call crossed a telex from my office demanding a meeting because we have had no response to date. But I hope we are going to get one soon.

**Mr. Mackenzie:** I was under the impression—perhaps mistaken—that the minister was responsible for public health when there was a request. I am not really sure he can fob it off on the federal authorities that way.



What happens when a citizen, whether in Hamilton or any other city in Ontario, wants to have his home tested because there are some indications he is suffering as a result?

**Hon. Mr. Timbrell:** Again, I talked at least three or four times previously with the member in attendance. I have said that we indicated to the medical officers of health in a letter to them in February—I think it was the 20th or 23th—that technical assistance was available to them from the Ministry of Labour. In addition, a number of the health units have been making use of the services of the Enersave advisory program, which is an arm of the federal Department of Energy, Mines and Resources and which has been giving them assistance. So technical assistance is available to the local health units if they need it.

As the member knows, in the report—and I hope he has read it—they state that they cannot specify any particular level at which this material is or is not a hazard. That is the whole point of this survey that we have been urging the federal government to make and which I am now told they have begun. Again, their report recommended, and we are pressing them to institute, a program of assistance to home owners for any necessary retrofit work.

**Mr. Mackenzie:** Can I be assured that if a worried citizen does want the test he can approach the Ministry of Labour? Is that what the minister is telling me?

Also, from his discussions with the federal minister, can the minister tell me why the local health boards have not been able to get a list of houses where the insulation was put in, where there was a subsidy to put it in? The argument they are getting from the federal people is that there may be some matter of confidentiality. How can we check the safety of the people involved?

**Hon. Mr. Timbrell:** First of all, I did not say the individual should approach the Ministry of Labour. The approach should still be to the local health unit, one of the 43 health units in the province. What I said was that we informed them that if they needed technical assistance it was available to them from the Ministry of Labour. In addition, as I said, they are making use of this federal office.

I have not heard previously of any indication that the federal people were not giving them lists. I do not know what they would do with the lists necessarily at this point because, again, if the member is suggesting—as he and his col-

league the member for Welland-Thorold (Mr. Swart) apparently have been suggesting in some of their interviews—that somehow it would be possible to do an overnight survey of the whole problem, that is physically impossible. There are not enough bodies; there are not enough of these machines in the world to do it overnight.

#### ACCESSIBILITY FOR DISABLED PERSONS

**Ms. Copps:** Mr. Speaker, I have a question for the Minister of Labour. In view of the fact that this is the International Year of Disabled Persons and this government's Bill 7 will guarantee equal treatment and accommodation for handicapped people, can this minister explain why his colleague the Minister of Consumer and Commercial Relations (Mr. Walker) has introduced an amendment to the Ontario Building Code which would deny accessibility to the physically handicapped in housing units and would allow accessibility only in lobbies and public areas in apartment buildings?

**Hon. Mr. Elgie:** Mr. Speaker, with the greatest of respect, I think the question should have been directed to another minister. The member well knows what this bill contains and the commitment it has to the rights of the handicapped. She knows the building code has been revised from time to time. There has been a recent revision and the minister has given firm assurances that further consideration of other revisions is still open to discussion.

**Ms. Copps:** Can the minister guarantee this House that, when Bill 7 is adopted as law, its requirements for nondiscrimination against the handicapped will apply and will supersede the recent building code amendment? Will they override the building code amendment and will all buildings, including housing and apartment units, be accessible to the disabled?

**Hon. Mr. Elgie:** The member knows I cannot do that, because the primacy section of the bill clearly says the government, if it deems necessary, may say the Ontario Human Rights Code does not apply. She knows that very well.

**Mr. McClellan:** Supplementary, Mr. Speaker: The question should have been redirected to the Provincial Secretary for Social Development (Mrs. Birch), but it was not; so I will ask the minister whether he can explain why the recommendations of the Ontario Advisory Council on the Physically Handicapped, which were accepted by the Provincial Secretary for Social

Development, were subsequently repudiated by the Minister of Consumer and Commercial Relations?

Is the minister aware that there appears to have been an attempt to force the advisory council to knuckle under and to accede to the recommendations of the Minister of Consumer and Commercial Relations? Is he not embarrassed that this travesty by the building code coincides with his legislation?

**Hon. Mr. Elgie:** Mr. Speaker, I will be glad to bring the member's question to the attention of the minister and have him reply.

**Ms. Copps:** Is the minister telling this House that, even if and when we adopt Bill 7 to prohibit discrimination against the physically handicapped, this government can choose at any time to override the requirements of the new human rights code and apply selective discrimination against the physically handicapped?

**Hon. Mr. Elgie:** Mr. Speaker, I realize it is the honourable member's first session, but she should not start using loose language such as the government being involved in discrimination.

Every primacy section of every human rights code specifically says that the Legislature—that is subject to debate in this Legislature and to public scrutiny—may from time to time deem that certain matters should not come within the scope of a human rights code. That is universal, and the honourable member should understand that before she makes statements which are inaccurate.

#### CHILD WELFARE ASSISTANCE

**Mr. R. F. Johnston:** Mr. Speaker, my question is for the Minister of Community and Social Services. Yesterday the executive director of the Children's Aid Society of Metropolitan Toronto said, "Child welfare in Ontario is being set back nearly 20 years."

Will the minister comment on Mr. Douglas Barr's assertion that sub-inflation increases from his ministry have left the society unable to cope with the increase in mandatory protection cases that has followed the deinstitutionalization policies of the government and has forced the society systematically to withdraw from preventive case work?

Is the minister going to continue dismantling the child welfare system, or will he adjust the funding formula, which is so dramatically hurting societies in Toronto, Windsor, London,

Ottawa and northern Ontario by basing it on the number of children in need and not on the number of children in the population at large?

10:50 a.m.

**Hon. Mr. Drea:** Mr. Speaker, there are really two questions there. Let us deal with the first one. How in the world an organization can say it is hard done by when it earned a surplus on its funding in the past year is beyond my credibility. One cannot be hard done by and pick up a surplus over a year—

**Mr. R. F. Johnston:** That was because the minister changed the formula. It was arbitrary; 35 per cent on top of that.

**Hon. Mr. Drea:** Well, it is the formula he is objecting to.

**The Deputy Speaker:** Carry on with the answer.

**Hon. Mr. Drea:** I have come back to it. How you can be hard done by under the first year of a new formula when you earn a surplus is beyond me.

**Mr. Wildman:** The formula is inadequate. You are silly.

**Hon. Mr. Drea:** I can hardly be called silly by pointing out that during the first year under the formula this organization was so hard done by that it came up with a six-figure surplus.

**The Deputy Speaker:** Carry on with the second answer.

**Hon. Mr. Drea:** In terms of the second question, which is really an allegation that we are systematically dismantling et cetera, the formula for funding that was arrived at was concurred in by most of the children's aid societies across Ontario. The member who asked the question knows full well that officially their main organization supported it.

There is no question the formula did raise concerns in northern Ontario and for the Metro children's aid society. I think it is significant that it did not raise concerns for the Metro Catholic children's aid society.

If the new formula is providing proven hardships or difficulties, we are prepared to negotiate or to amend it; so we are therefore not systematically dismantling anything.

What fascinates me is that the allegation by the director of the Metro children's aid society is that he is being forced to handle a lower case load. Is he being forced to handle a lower case load because people now exercise their right to say, "We choose to have the court decide rather



than you," or with a surplus in the last year is he turning away clients? The member should ask him.

**Mr. R. F. Johnston:** The minister well knows that, without the supposed cushion they were given, their increase should have been only 4.5 per cent this year. He can deny that if he wishes. It has been stated as an allegation—

**The Deputy Speaker:** Are you coming to a question?

**Mr. R. F. Johnston:** Does the minister not also realize that they are not turning away mandatory cases but that their case load is increased in that area? No one said they were decreasing the number of mandatory cases, but because they have so many mandatory cases they are unable to deal with preventive care cases. Does the minister claim it is only the Metro children's aid society that is involved when the chairman of the Ontario association, Mr. Caldwell, calls the formula detrimental at this point?

**The Deputy Speaker:** What is the question, Mr. Johnston?

**Mr. R. F. Johnston:** Just to sum up, if I may, Mr. Speaker, I realize last night I may have caused you some aggravation, and I apologize for that, but the minister knows the extra money he supposedly now can give cannot go to preventive care cases but can only go to mandatory cases. Does the minister not believe that the formula needs to be redone? It is just not working.

**Hon. Mr. Drea:** I pointed out that not only is the formula working well but it is also being applauded in most areas across the province. If the member wanted to get out of Metropolitan Toronto, I would suggest he might see what the region of Peel is doing or what they are doing in Hamilton.

If the allegation is that the mandatory case load is now so high that they are having to move resources over into that and cannot do prevention, obviously we can make adjustments to cushion their costs on the mandatory case load.

**The Deputy Speaker:** Is this all part of the answer?

**Hon. Mr. Drea:** Yes. He asked 10 questions. If you want simple ones, you tell them yes for one, two, three, four, five. He even has to sum up on his questions.

I am not looking for a confrontation, as somebody has said, with the largest group. In fact, I am being very peaceful. But day after day—yesterday was Thursday, they were groan-

ing again; today is Friday, they have another thing on about group homes. I am not looking for a confrontation. I think I am being remarkably restrained.

For the past month they have been doing their labour relations. The member raised the question about the surplus. Everybody knew about the surplus. The union has raised some very significant points: If they are so hard done by on their funding, how do they get this cushion and, indeed, share it with us, which was what was done?

**Mr. Ruprecht:** A supplementary, Mr. Speaker?

**The Deputy Speaker:** No, I do not think so. We have extended this area of questioning long enough. A new question, Mr. Ruprecht. Maybe you could work it in.

**Mr. Ruprecht:** Thank you very much for trusting me with the ability to combine a question for the Minister of Industry and Tourism with one for the previous minister.

**The Deputy Speaker:** Well, try.

**Mr. Ruprecht:** I will not attempt that, Mr. Speaker, but thank you very much for recognizing a new question anyway.

#### TORONTO ICTS LINE

**Mr. Ruprecht:** In 1974, the government promised to build a magnetic levitation transit line on the grounds of the Canadian National Exhibition. Under the BILD program—I will not spell it out—the government has promised a \$90-million intermediate-capacity transit system along the Toronto waterfront. What steps has the minister taken on this new transit proposal up to this point?

**Hon. Mr. Grossman:** We have had discussions with the Urban Transportation Development Corporation and preliminary discussions with Metropolitan Toronto with regard to working out the various levels of participation in that very major project. We are rather hopeful the project will get under way in the next year or so.

**Mr. Ruprecht:** Does the minister realize that a lot of the waterfront property is owned by the city of Toronto? I have written to the commissioner of the city of Toronto responsible for building and development. He tells me, and I quote: "There has been no formal consultation with the city as yet in terms of working out arrangements that will look at the transit lines."

On the one hand, the minister is telling this House that preliminary communications have

been taking place with the Metropolitan Toronto area. Yet, on the other hand, the city, which has most of a stake in that kind of transit line, has not even been approached. Can the minister explain that to this House?

**Hon. Mr. Grossman:** Sure. Just go back to our experience on the Toronto convention centre, which I believe the member supported when he was on Metro council and city council. It would have done nothing but hold up the project had we decided to go through extensive zoning discussions with the city of Toronto in regard to the various sites being considered.

When the member gets on to the transit system he is talking about, obviously there are many permutations and combinations in terms of the exact siting of the track and the lines. To conduct extensive negotiations with the city of Toronto in regard to the siting of the line and other related matters, prior to getting the commitment by other levels of government towards the funding and the agreement—for example, of Harbourfront to their level of participation in it and what they would like to see go in it—would just be fruitless spinning of the wheels.

The businesslike way to go about it is to put together the funding, as we did in the matter of the Toronto convention centre, and then to get down to the specifics of where it should go and what the exact configuration should be.

**Mr. R. F. Johnston:** Supplementary, Mr. Speaker: Will the minister inform the House whether he has any projections on possible deficits from this line and how they would be picked up by the government?

**Hon. Mr. Grossman:** Mr. Speaker, that comprises part of the discussions going on right now, but I am fairly confident, considering the number of attractions that will be served by this particular line—ultimately a revamped CNE, Ontario Place, the Harbour Castle facilities, all the Harbourfront facilities and the convention centre—and the fact that we expect it will hook into the Toronto Transit Commission system and perhaps have access to people coming in on the GO system, that it would actually have a fairly good chance of turning a profit right from day one.

**11 a.m.**

**Mr. Ruprecht:** I do not want to spell BILD for the minister. The government's program called BILD is really spelled BILKED, but I will not repeat that in this House.

I find it utterly amazing that the minister can stand up in this House and tell us that communi-

cation with the city of Toronto is holding up the project. I have never heard anything like this before. The first thing the minister ought to do is get in touch with the city of Toronto to discuss the waterfront.

**The Deputy Speaker:** Question, please.

**Mr. Ruprecht:** My question to the minister is very simple.

**The Deputy Speaker:** Good.

**Mr. Ruprecht:** When will he start these negotiations with the city of Toronto so the city will not be in the dark and will be able to plan in terms of how to interconnect the transportation line with other projects? When will the minister start to discuss that with the city of Toronto? The sooner the better.

**Hon. Mr. Grossman:** Mr. Speaker, I should not be this presumptuous, but the member may recall from his days on city council that any interconnects will be with the TTC. Therefore, Toronto city council will not be the first line of attack in terms of discussing interconnects.

If the member thinks that his former colleagues on Toronto city council do not communicate with us or with the chairman of the municipality of Metropolitan Toronto, or that there are not open lines of communication through which they can convey their lack of support for the project, if that is the case—or his lack of support, if that is the case—then either he never learned anything on city council or he has forgotten what he did learn.

Our experience on the Toronto convention centre, in terms of our success after many years in which the city of Toronto—

**Mr. Cunningham:** It will not go around corners.

**Hon. Mr. Grossman:** Around corners? The member's party is expert at that. They go around corners and get right back to where they started with the same number of seats.

If the member will recall what we did on the convention centre, we got all the pieces in place. Metro knew and was part of the operation. The city of Toronto indicated support, and in fact it arrived at Toronto city council at a point when all the other pieces had been put in place. Because we knew the city was supportive, it was able to—

**Ms. Copps:** Steamroller.

**Hon. Mr. Grossman:** Unbelievable.

It was able to get done after many years of discussion at the municipal level. It is because of the leadership of this government that this happened and that the next stage will happen.



## ACCESSIBILITY FOR DISABLED PERSONS

**Mr. Philip:** Mr. Speaker, I have a question for the Minister of Government Services. This being the International Year of Disabled Persons, will the minister assure the House that he will have a ramp constructed at the front entrance of the Legislative Building so that the many disabled who will be in front of this building on July 1 can enter their building through the front door?

**Hon. Mr. Wiseman:** Mr. Speaker, we are trying to build ramps in all our government buildings, particularly the new ones, and to find other ways to make them more accessible to the handicapped. We are making renovations to our existing buildings, but I am told this was tried in a building similar to this and it was not feasible. We will look into the member's suggestion and see what we can come up with.

**Mr. Philip:** Inasmuch as we have enabled disabled people to enter by the back door of the building and inasmuch as July 1 is only about a month away, can the minister tell us in specific terms what is being done to provide the service so disabled people in the International Year of Disabled Persons can enter their Legislative Building by the front door and give us the assurance that the ramp will be constructed by July 1?

**Hon. Mr. Wiseman:** I think the honourable member knows the renovations we have done, with the help of the former Speaker, the member for Lake Nipigon (Mr. Stokes), who is sitting in front of him, to make access by wheelchair possible to this chamber and to the members' offices when it is not easy to get there by using the elevators and so on. We have access from the parking lot, as was mentioned. We will look into the possibility of what could be done at the front entrance. I have been told it was tried with a building similar to this one and it was not feasible. We will look into it. I am sure the honourable member knows we have been doing this wherever possible.

## ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I wish to table the answers to questions 66 and 72 and the interim answers to questions 95 and 97 standing on the Notice Paper. [See appendix, page 1146.]

## ORDERS OF THE DAY BUDGET DEBATE (continued)

Resuming the adjourned debate on the amendment to the amendment to the motion that this House approves in general the budgetary policy of the government.

**Mr. Charlton:** Mr. Speaker, it is a great pleasure to have the opportunity to take some time today to speak about this year's budget. I would like to start by making a few comments about your appointment as Deputy Speaker. You are probably going to be unique in that position. It is probably the first time we have had a CBer for Deputy Speaker.

**An hon. member:** What is your handle?

**The Deputy Speaker:** A CBer.

**Mr. Charlton:** We are going to work on coming up with a good handle for you, sir.

The budget which the Treasurer (Mr. F. S. Miller) brought down on May 19 is one that I think is reflective of the attitude of this government and of its inability, with its mad lust for balancing the budget, to deal positively and efficiently. It is evident that over the past week both the Treasurer and the Premier (Mr. Davis) have been extremely defensive about those aspects of the budget which are contradictory in terms of many of the other things they and their federal colleagues have said about inflation in this province and in this country. I will get into that a little later on.

A number of things have occurred so far in the debate on this budget which I found particularly significant. On Monday of this week when the Liberal Treasury critic made his response to the budget, it was significant to note the government benches did not seem to respond at all to the things he was saying. That points clearly to the way in which this government feels defensive about the budget.

It was also significant to note that when my colleague the member for Algoma (Mr. Wildman) responded to the budget on Tuesday of this week the government benches were very active, defensive and vocal as a result of their defensive feelings. In terms of the budget and the government's defensive feelings about it, and in terms of real alternatives and opposition to that budget, this party has been saying that is what the government is really wary and afraid of attempting to deal with publicly.

**11:10 a.m.**

It was also significant to note last evening during the comments by my colleague from

Nickel Belt (Mr. Laughren), that members on the government benches got very defensive in terms of his references to Saskatchewan, in terms of his discussion about resource taxes in Saskatchewan and a number of other items that he raised. Just for the benefit of the government members, I want to deal with a couple of other things that relate to Saskatchewan and to the budgetary approach this government is taking in Ontario.

As I suggested at the outset, this government has been obsessed for some five or six years now with that whole theme of balancing the budget. Unfortunately for the people of Ontario they have been unable to accomplish that. They set out in late 1975 or early 1976 on their balance-the-budget railroad. In order to try to accomplish that, we went through a series of layoffs, hospital closings and cutbacks in a number of ministries. The main areas of concern to the public who were affected by those cutbacks and layoffs is that they were in the areas of community and social services. I might add they were services to people in Ontario who were the least able to fend for themselves, and to defend themselves against those cutbacks. We also saw serious cutbacks in the Ministry of Health.

Whether the Minister of Health (Mr. Timbrell) or the Ministry of Health would like to admit it or not, we have been through a process over the past five years of repeatedly hearing complaints from the public and from health care workers about the level of service, about patient loads and about bed shortages. But through all that process of cutbacks and layoffs the government was not able to deal with getting at the root of the deficit, of balancing the budget.

So now we see a new tack. If they cannot get at balancing the budget by cutting back, then they attempt to get at balancing the budget by raising new revenues. This budget is probably the most cynical budget in 20 years, and probably the most damaging budget in 20 years. I know the Treasurer is not going to agree with me, but I listened to this Treasurer and former Treasurer McKeough over the last five years talking about all the reasons why they had to hold the line on taxes in this province. Some, not all, of those arguments were valid. Those that were valid in 1977, 1978 and 1979 are still just as valid today.

That points directly to the contradiction in this budget, the contradiction in Tory terms, not even in the terms of this party but in the terms of the Tory party and the Tory government of this province.

We have seen a new approach to this obsession with balancing the budget. I am going to get into talking about the specific taxes and the specific problems that will cause for people as I go along, but I wanted to make some reference to Saskatchewan and perhaps to the absent Liberal Party on my right.

Saskatchewan has a balanced budget. Not only does it have a balanced budget, but Saskatchewan had to face deficit financing and debt as well, the same as the Treasurer faces in this province.

I would like to point out that in 1964, when the Co-operative Commonwealth Federation government was defeated in Saskatchewan, there was no deficit in the budget and there was no debt in Saskatchewan either. Unfortunately for Saskatchewan, although they learned fairly quickly, through the term of the Liberal government in Saskatchewan from 1964 to 1972 under Mr. Ross Thatcher—probably some distant cousin of Hacker Thatcher in Westminster—

**Mr. Martel:** Does the Treasurer know her?

**Hon. F. S. Miller:** She is my mother.

**Mr. Charlton:** During the term of office of that Thatcher government in Saskatchewan the province unfortunately incurred a debt and a deficit in its annual budget, and when the New Democratic Party was re-elected in 1972 that is what it was faced with: a deficit budget, much like that in Ontario, and debt in the province of Saskatchewan.

That government, without cutting any social services, without cutting health care, without having to jack up health insurance plan premiums—because it does not have any—has dealt with the operation of the civil service in that province in a civilized, straightforward fashion that does not contradict the approaches to services to people that it expresses in its throne speeches and in its election campaigns. They have balanced the budget. The debt that was run up during the Liberal administration and the early years of the NDP administration has not been totally wiped out yet, but they are well on their way to doing that.

The important thing is that that budget has been balanced. It has been balanced by good money management, not by cutbacks and not by massive tax increases. I think it is just about time that, instead of being so partisan and so political that they have to make digs about things that go on in Saskatchewan, the Treasurer and the Premier of this province should sit down and carefully look at the things that go on



in Saskatchewan and the ways in which they can learn about good management from the people in Saskatchewan.

It is also significant to note that, as my colleague from Nickel Belt stated last night, it is time the Treasurer of this province took a serious look at some of the tax policies in Saskatchewan. I will not reiterate all of those figures. They are on the record for the Treasurer, and he knows them well anyway. But my reference to the tax policies in Saskatchewan was to bring in the point that in this budget we find ourselves opposed to the increase in the personal income tax which the Treasurer has included in that budget.

We as a party have always said that the income tax was more progressive than most of the other taxes in the province, and it is still true. I want to suggest to the Treasurer that we would probably not find ourselves opposed to this personal income tax increase except for the fact of the cynical, contradictory way in which it was done. If this budget also included some increase in corporate tax and resource tax, if this budget included a decrease in OHIP premiums, working towards the eventual elimination of OHIP premiums, this party would probably not be opposing the income tax increase. But we as a party are not prepared to support this government in increasing personal income taxes while leaving the corporate sector alone; while shifting additional burden in the overall tax structure to the individual in order to try and cover up its inefficiency and its bad management in its efforts to balance its budget.

**11:20 a.m.**

The day that the Treasurer of this province comes in with a budget that includes a logical mix of taxes that are in the best interests of all of the people of Ontario, he will not find opposition from this party.

I want to refer to a comment that the Premier made last Thursday in response to a question in this House. I believe the question was from the Leader of the Opposition (Mr. Smith), regarding the ad valorem nature of the tax increase on gasoline in this budget. The Premier responded by asking why shouldn't Ontario have ad valorem taxes on gasoline, since almost all the other provinces do.

I want to suggest to the Premier and the Treasurer that this party, and I would imagine the other opposition party too, would not be so upset about the ad valorem nature of the gas tax if the Premier and the Treasurer were providing us in this budget with some of the other things

that some of the other provinces that he is talking about have, such as some of the references we have made to resource taxes or some of the references we have made to OHIP premiums. If there had been an increase in corporate taxes to go along with the income tax increase or if there had been a reduction in OHIP premiums, we would not be so upset.

The Premier and the Treasurer cannot have it both ways. They cannot deny the rightness, the usefulness, the sanity of what other provinces are doing. They do that regularly and then applaud them when it serves their purposes. I suppose what I am saying is if the Premier and the Treasurer want to refer to tax measures that have been taken by the other provinces, in the same way that they say to us regularly that we cannot discuss one of the taxes in a budget here in isolation because it is part of a taxation package and philosophy, the same is true in all of the other provinces. The same is true in Alberta, Saskatchewan or British Columbia. It does not matter what province one wants to talk about. The Treasurer of those provinces works out a tax package and one cannot discuss any of the tax measures that they take in isolation one from the other.

Obviously, when we talk about the resource taxes in Saskatchewan, that is part of a tax package and that is why the income tax in that province is at a particular level and the corporate tax is at a particular level and the health premiums in that province are at a particular level as well. In the same way that the Treasurer of this province tries to cover part of his total expenditure need by the use of OHIP premiums, the Treasurers of other provinces deal with their need for revenue as part of a package. It does not make sense for the Premier and the Treasurer of this province to be saying, "We want ad valorem taxes on gasoline because all the rest of the provinces have them," if they are not prepared to deal with some of the other things that those other provinces provide.

I want to talk for a few minutes about the income tax increase, a nine per cent increase. The Treasurer will say, "Well that is below the inflation rate." On the other hand, I listened to the Treasurer of this province, both the present one and the former one, repeatedly—time after time—bragging about the 44 per cent level of income tax in Ontario; bragging that they had not had to raise it; bragging that it was the lowest in Canada. Now they brag that it is almost the lowest in Canada.

Mr. Speaker, you know as well as I know that



just is not true. You know full well, when the Treasurer of this province says that OHIP premiums are not a tax, that is a joke in terms of talking honestly to the people of Ontario about the levels of taxation they pay. It is a very sick joke when we know that seven out of the 10 provinces have no health insurance premiums at all and that they pay for their health care system totally out of the tax structure. To say that in Ontario OHIP premiums are not a tax and, at the same time, to say we have one of the lowest income tax rates in Canada now, with this increase, is a very terrible joke.

The other problem we find, again, with this income tax increase in isolation, because there is no added increase for the corporate sector, is the shift in tax burden that it causes in Ontario. In the same way we worry about shifts in tax burden when we talk about property taxes, we also have to worry about who is paying what share of the total tax burden in Ontario. This increase, without an increase for the corporate sector, is this year reducing the corporate sector share because they will be paying only 12 per cent of the total tax load. Last year, for every dollar the corporate sector paid in taxes, private citizens in Ontario paid \$2.56. This year, under this budget, for every dollar the corporations of this province pay in taxation, individuals will pay \$2.89. That is a shift in tax burden that we in this party cannot accept.

Over the past 20 years there has been a gradual but steady process of reducing the burden the corporate and business sector pay of the total tax load and continually increasing the share that individuals pay through their personal income taxes. That is not an acceptable approach, especially in the light of the economic situation in this province where individuals, especially low and middle income individuals, are the hardest hit by inflation and interest rates.

I want to say a few words about the OHIP premium increase as well. The Treasurer can say that the income tax increase is well below the rate of inflation, but the increase in OHIP premiums is 15 per cent. That is in addition to an increase two years ago of 17.75 per cent and an increase two years prior to that of 45 per cent. The reality is that in the last five years OHIP premiums in Ontario have gone up by more than 75 per cent. That is not acceptable either. We even now have the Treasurer of this province admitting, not fully, but admitting he is prepared to look at other ways of funding health care in Ontario. He has suggested he is at least

prepared to look at an employment tax. That is an admission on the part of the Treasurer for the first time, even if indirectly and offhandedly, that OHIP premiums are a regressive form of taxation.

To take one of the most regressive forms of taxation and increase it by 75 per cent or 80 per cent over a five-year period is just not acceptable in this day and age; just not acceptable in a province that likes to brag about its social programs and the accessible nature of its health care system.

**11:30 a.m.**

When one takes that OHIP increase and the OHIP premiums in total in Ontario and adds them to the income tax rate, it becomes clear that all the rhetoric that comes from the Treasurer, the Premier and the government of this province about the acceptable nature of their tax rates is just that, nothing but hollow rhetoric.

We have a situation where, with this OHIP increase, the premiums for a family in Ontario will now actually be higher than the income tax that same family would pay in Ontario. That is not an acceptable situation. It puts Ontario in a category where, taking Ontario income tax and OHIP premiums, people in the province earning \$25,000 a year or less find themselves in the position of being the most highly taxed people in this country.

Ontario is not the best or even among the best any more. It is the worst in terms of its tax treatment of individuals. That is not an acceptable situation. It is not acceptable to hear the Treasurer and the Premier saying things look bright for the future when we find ourselves in the position of being, for all our average and low income people, the most highly taxed group in the country.

The Premier was asked a question last week about a promise he may or may not have made during the course of the campaign about holding the line on taxes. The Premier at this point is denying he ever promised to keep taxes down and to stave off any tax increases. He is denying he ever promised that. Unfortunately, not all of us could follow the Premier around this province everywhere he went, but whether or not he said anything during the course of the campaign about no tax increases, there is certainly a large number of candidates for his party who did precisely that.

The Conservative candidate in my riding has run in three elections in the past two years.

**Mr. Wildman:** Who was that?



**Mr. Charlton:** His name is Duncan Beattie. He ran in the federal elections of 1979 and 1980. In 1979, he was elected after a campaign based almost exclusively not just on no tax increases, but on tax reductions, tax credits on mortgage interest and tax credits on property taxes. He campaigned around reduction in the federal income tax. He did that again in the federal campaign in 1980.

**Mr. Wildman:** Did he win that one?

**Mr. Charlton:** No, he did not win that campaign because the short-lived Tory government in Ottawa failed totally to deliver on its promises of tax cuts and mortgage interest credit. It failed totally to deliver on its promise to do something about interest rates.

**Mr. Wildman:** Then we got a Liberal government that did almost the same thing as the federal Tories.

**Mr. Charlton:** That is very true. The Liberals have not been a whole lot better. The former federal member who ran against me this spring in the provincial election went through another campaign of promising not no tax increases, but tax cuts.

**Mr. J. A. Reed:** That was a double negative.

**Mr. Wildman:** The candidate was a double negative.

**Mr. Charlton:** Yes, the candidate was a double negative. The member for Brant-Oxford-Norfolk (Mr. Nixon) is, as usual, a bit confused. I can recall a number of occasions in this House when he chased around the bush after me about the way in which the property taxes went up on his farm as a result of the assessments I did. But I just want to repeat something I said to that member on a number of occasions: he should be directing his problems across the floor.

**Mr. Nixon:** But the member for Hamilton Mountain listens more sympathetically.

**Mr. Charlton:** That is very true. I am always more sympathetic than those across the way.

Whether or not the Premier made promises about holding the line on taxes, whether or not he made promises about tax cuts, candidates who ran for that government party did. The candidate in my riding did. And that raises the question of this budget. Is that what this government thinks about when they use the phrase "Keeping the promise"? There were Tories right across this province who were promising tax restraint specifically.

It is significant again to note that just about a week and a half ago in a speech in the federal

House that dealt with interest rates and inflation the federal Tory finance critic—I think my colleague from Algoma made reference to him in his response to the budget the other day—

**Mr. Wildman:** He said he commiserated with the people of Ontario over the budget.

**Mr. Charlton:** Not only did Mr. Crosbie commiserate, but he said quite clearly that inflation was the chief enemy among our economic problems. He said that in order to deal with the economic problems in Canada—and that refers to Ontario as well as the rest of Canada—we had to mount an effective fight against inflation.

We have heard this on many occasions in the past right here in this House from the Premier and from the Treasurers, both present and former. Yet we end up with a budget that, because of this government's obsession with balancing the budget—an obsession and a goal they will probably never reach because of the way they go about it—is in itself inflationary in the worst way, simply because it affects those in this province who are least able to deal with the costs involved, least able to defend themselves or effectively find ways of overcoming the costs in this budget through collective bargaining or whatever.

We have a budget with a 15 per cent increase in OHIP premiums, a nine per cent increase in income tax and a 21.7 per cent increase in the gas tax. As has been suggested by a number of members, we have not only a 21.7 per cent increase in the gas tax but a change in the nature of the gas tax in Ontario to ad valorem. So now we are in a situation where every year the gasoline tax in the province is going to go up, once every quarter. If this budget was not so offensive, it could almost make one chuckle.

**11:40 a.m.**

I think back to the fall of 1979 when the Minister of Energy (Mr. Welch) in this province released a paper on Ontario's position in the national energy situation. One of the things stressed very strongly in that paper was the problem this government was supposedly having with the cost of energy, oil and gas in Canada. Less than two years ago this government attempted to take what appeared to be, and what they wanted the public to think was, a strong position against rapid increases in the cost of energy. In that white paper, or whatever it was called, they made comments about the fact that they realized energy prices had to go up because of the world situation and so on, but

they strongly opposed any rapid increases in energy costs in Canada. That same government has now turned around and tacked on a 21.7 per cent increase in the gasoline tax in Ontario. On top of that it has ensured that every quarter from this point on that tax will go up again.

This budget is not a budget of which this government should be proud. It is not a budget the people of this province are very happy about and it certainly is not a budget that reflects the theme this government has used over the past two or three years and during the course of the election campaign in terms of its approach to running the province.

It is a budget that is inflationary. It is a budget that hurts low and middle income people and does not touch the corporate sector. It is a budget that does not deal with most of the major problems in our economy in the manufacturing sector. It does not deal with the question of interest rates at all. It does not provide any effective assistance to home owners, small business, or farmers who are faced with both short-term and long-term problems in relation to interest rates. In fact, the only thing this budget deals with is this government's seemingly growing obsession with balancing the budget—but balancing the budget for what reason, at what cost and to whom?

We find ourselves in the position where we cannot support this budget. We cannot support most of the tax increases that are proposed in this budget. For those reasons we have already had speeches from a number of my colleagues and the motion of no confidence over the budget moved, which will be voted on next December, and a debate next Monday on a no-confidence motion over the increase in Ontario health insurance plan premiums.

In closing, I want to say that the comments relating to this budget both from the media and from the people in the real world outside of this place have been strong and critical. They have reflected the real sense of cynicism, disbelief and dishonesty for the way in which this government got itself a majority and then turned around and presented this budget. Over the course of the next few months and years, I think the members of the government party, the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller) are going to feel pressure increasing very substantially from the public—and perhaps from the opposition parties as well—from those people whose trust they have betrayed as a result of this kind of action.

**Mr. Nixon:** I want to congratulate you, Mr. Speaker, on your appointment to the high and important office you now hold. You, the Speaker himself, and the chairman of the committee of the whole have to maintain a position of equality with regard to the three parties in this House. As I am sure you have already found, you have to spend more hours listening to the excellent speeches delivered in this House than most of the honourable members do. In many respects, this is a great advantage you have, yet perhaps, to be completely honest, we all have some sympathy for that special responsibility you bear.

I should also say in passing that I want to extend my particular thanks and recognition to the accomplishments of your predecessor, the member for Lake Nipigon (Mr. Stokes), who occupied the position of Speaker for a number of years during the minority parliament. I felt he did an outstanding job representing fairness and justice in this House and his rulings went a great distance towards safeguarding the rights of all private members, including those in the opposition.

I was delighted to be present last night for the traditional unveiling of the Speaker's portrait. While my view may not reflect the view of everyone in the House, I have now come to the conclusion that it is an outstandingly good portrait. I must say when it was first unveiled it rather took my breath away, but as I came up the stairs this morning to come into the Legislature, perhaps in my subconscious there had been a review based on my almost unlimited knowledge of fine art. I came to the conclusion that it was an outstanding piece of art work. Frankly, I am delighted that it is not just in the standard tradition where all the warts and blemishes are brushed out with "rosy glow No. 9" or whatever it is that artists use. There we have the member for Lake Nipigon with all his personality for all time.

I have a feeling that for many years to come school children will be marched down to one of the inaccessible recesses of this building where the portrait will be put on display and told, "There is the Honourable Jack Stokes. He was the Speaker." I also believe that it is a work of art, and I think we should be proud of the fact that it is there for all time. Here comes the honourable gentleman himself. I should say that as far as an attractive piece of horseflesh walking around is concerned, Jack Stokes looks far better than the picture does. Still, it is a work of art.



I also want to extend my welcome and greetings to the long line of new members in the back row. Just recently they have become so acclimatized and perhaps awash with verbal advice that they have followed the example of some of their masters in the lower rows and taken to sitting out in the lobby and drinking coffee for most of the speeches. However, four of the 22 managed to come in. Of the four, I can only identify one as a definite former Liberal, but we never know. Actually, it is a little embarrassing to keep talking about that. It simply means that while we can attract them in their idealistic years, when they move on to the realism of power politics in Ontario, somehow their judgement gets deflected. We cannot help that. I understand one of our Liberals is thinking of moving to the New Democratic Party by virtue of his vote last week. I have the papers here to sign if they want to pursue that further.

**11:50 a.m.**

I am very glad, however, that in the relative calm of this formal debate, a member such as myself can put on the famous record, which only my mother and not even my wife reads, on behalf of myself as the member for Brant-Oxford-Norfolk and the people in my area to be able to bring to the attention of the members of the government certain shortcomings that we find in the leadership they are giving, particularly in a financial way.

Before I leave my comments about the boys and the girl in the back row, I should say from my experience in watching the people filter down from the back to the front, as yea the Minister of Correctional Services (Mr. Leluk) has finally done, there are a number of ways of doing it. I would not quite advise the procedure the member for York West (Mr. Leluk) used. However, I will give the new members the recipe in detail and in confidence if they want.

**Mr. Kells:** Give it in a confidential envelope.

**Mr. Nixon:** For example, the Minister of Industry and Tourism (Mr. Grossman), who is very much a front-row person, is insatiable. Once in the front row, he has to move towards the centre. He was teetering on the end at one time but now he is definitely moving towards the centre; he has his eyes on the Treasurer's chair. Stranger things could happen. But he did not achieve that high position by simply polishing up the handle on the big front door, or whatever it is that back-bench members do.

I think there is a mistake there. The people in the back row have to remember that. They have

to bring themselves to the attention of the big cheese by some way other than simply saying, "Good morning, Mr. Davis," or holding the door and saying, "That was your best speech, Mr. Davis." That is not the way to do it. Actually, a few years ago the Minister of Health announced that he was closing Doctors Hospital in the constituency of none other than the Minister of Industry and Tourism.

**Mr. J. A. Reed:** Larry the Lip.

**Mr. Nixon:** Larry the Lip? Mr. Grossman. I know the Doctors Hospital very well. In its earlier incarnation, when it was established in an old house, my number one son was born there. If I had more time I would tell the House some very interesting anecdotes associated with that.

But the Minister of Industry and Tourism, instead of standing up and saying, "It has to be. The decision has been made by the Minister of Health and by the Treasurer;" said, "We are not going to close the Doctors Hospital." And by God, it was not closed. It did not interfere with his progress in the power hierarchy of the government or the party. That was not the only example. He has been playing hardball with the Toronto Islands, as members may recall. Once again, he has said, "We are not going to allow that community to be shoved off into the water simply because some third-rate municipal politicians feel it should be a park." There were all sorts of arguments there but he won his case.

Even the honourable Minister of Intergovernmental Affairs (Mr. Wells) himself, that great cornerstone of solidity and stolidity and all of those things that are good for Tories, has had to move. He came up with all the compromises but the Minister of Industry and Tourism did not compromise. We now find we are to be presented with a bill that will maintain the Toronto Islands as they should be. I do not give the credit to that minister; I give the credit to myself. Going back many years to my previous incarnation as leader of the official opposition—and that does go back quite a way indeed—I was the one who led the fight for the maintenance of the community. I am glad to see, Mr. Speaker, you are nodding as you should.

The lesson to the new members is do not be too cautious. Step on a few toes. Pick the members whose toes one can step on. Members can step on the toes of the Provincial Secretary for Social Development (Mrs. Birch); she is very nice, she even attends opposition speeches. Even cross the Premier occasionally and I assure the back-bench members they will go into the cabinet.



I will not spend too long on this. I can remember when the previous Premier, John Robarts, was sitting over there with his political empire falling into ruins around him. The only time I ever saw him nonplussed—I mean it—was when the infamous police bill, Bill 100, as it was then called, was before the House. I saw Al Lawrence, that paragon of support, come down. As a lip-reader I could almost understand him saying, “John, you either withdraw that bill or I resign.” John Robarts went even several more shades of green and the bill was withdrawn. By golly, Al Lawrence was on his way to the very peak. Now he is on his way to the very depth, but that is—

**Mr. MacDonald:** There are two errors there. It was Bill 99 not Bill 100, and it wasn’t withdrawn it was sent out on my motion to have the offending clause taken out. Let’s keep the record straight.

**Mr. Nixon:** Oh, Bill 99. The member is right. I hope he will agree with me there were not many occasions when we saw John Robarts white-lipped and trembling. At the very worst moment, it was Allan Lawrence who came down along the back stairs of the benches, the way people tend to do, and we could see the ultimatum being given.

So we welcome those friends of ours in the back row. Actually, I listened to a number of their speeches and I thought most of them were extremely interesting and very good. We look forward to seeing them in action, and it will be interesting to see which one gets preferment and why. Will it be geography? Will it be religion? Will it be stepping on toes? Will it be ability? It remains to be seen.

**Hon. Mr. Grossman:** By the same token the member for Grey-Bruce (Mr. Sargent) should be in the Liberal front row very shortly.

**Mr. Nixon:** He has been in our first row and in our third row. He is now in our second row, so we change around here. There is a certain kind of consistency that perhaps the member opposite would not understand entirely.

As the clock moves on, I want to say something specifically about the budget, which concerns me very deeply. I have heard repeatedly interjections from the government side based on the fact that Ontario pays more than its just share to the budget of the government of Canada, and we do not get our just returns.

One of the greatest problems I have had, as a student of democracy and a person who participates in the work here in the House on a regular

basis, is that the people opposite, with a budget now close to \$20 billion, go about the province doing good works. They build schools, sometimes highways and bridges. They clean up rivers. They make jobs. They do all of those things. But the major part of the bill is paid by the government in Ottawa. I am very concerned that democracy does not work in a healthy way when the government that provides the service is not called upon to levy the taxes to support those services.

Just look at the figures on page 12 of the tables of the budget. Personal income tax is going to net us in the coming year \$4.4 billion. We know that is a provincial tax. But if we go down the street and ask any 10 people whether it is a federal or provincial tax they all know it is federal. That is where they send their money. The debates in the House of Commons are associated with personal income tax while we levy the tax here.

The government is now insisting that it be increased by seven per cent. It is, in the minds of the taxpaying public, definitely Mr. Trudeau and Mr. MacEachen who are squeezing this money out of them. The money goes to Ottawa and then it comes back in enormous quantities, just like a fire hose—in this instance \$4.4 billion—without any strings attached, because the government in Ottawa knows we in this House have levied the tax at a certain proportion of the federal tax. So while we can argue, and do argue, that this is a provincial tax, and any knowledgeable person should know it, the taxpayers do not know it. It is considered a federal tax.

In addition, on the same table, payments from the federal government amount to \$3.3 billion. These are for programs for which the government of Canada has some supervisory responsibility but in which, more and more as the programs become designated as established programs, the money comes back here with practically no direction, no strings attached. It is money to support our post-secondary education, including half the cost of grade 13, a very large proportion of our welfare program, half the costs of medicare, and so on. That is not an exhaustive list of all these moneys. That is about \$7.6 billion, and in rough figures, it amounts to something close to 40 per cent of our budget.

Evidently the government of Canada is getting sick of doing this. As the spokesman for the government party has said repeatedly, the finances of the government of Canada are not in admirable shape. Its deficits are appalling; in fact,



frightening. In more cases than one, when we talk about the high deficits in Ontario, the best defence the Tories here have is: "Look at your friends in Ottawa. Their deficit position is even worse." One reason for that deficit position is that it is responsible for 40 per cent of the budget of the revenue of Ontario. According to statements made by the government of Canada, it is going to withdraw from that position by reducing its transfer payments by \$500 million in this coming fiscal year and \$1 billion in the following year.

#### 12 noon

That has tremendous ramifications for us and, in one of the important budget papers, the Treasurer or those people who advise him have set out the arguments why no change should be made—or, if any change at all is made, federal transfers should be increased.

One can read all of the reams of material prepared. Of course the government of Ontario wants more money from Ottawa. It makes its political and administrative task easier if somebody else pays the bills.

At the other end of the problem is what is happening for this government in its treatment of the junior levels of government—at least on one list of priorities—the municipalities and the school boards. I have a letter here dated May 12, 1981, signed by the director of education for the county of Brant. Among other things, he points out the level of support from the province for education in Brant county has fallen from a high of 61.4 per cent in 1975 to the most recent figure for 1980, 50.2 per cent, a drop of 11.2 per cent in five years.

It is difficult once one gets into statistics to keep them orderly in one's mind or to convey an orderly argument, but please think of this, Mr. Speaker. The money is coming from Ottawa to Toronto and funding, at least in one argument, 40 per cent of our budget. The government of Canada is saying it is going to cut back and we in the province say, "No, you must not," for a variety of reasons but basically for political reasons. We want the money without the political responsibility. At the same time, the government of Ontario is turning to the municipalities and school boards and is in every way restricting its level of support.

I will only spend a moment to say that of course the numbers of absolute dollars go up as the inflation rate for the costs of education and municipal government go up even faster than the inflation rate associated with the cost of living for us as consumers. The rate of increase

for those costs is above 12 per cent in many areas so I will not spend a lot of time talking about the basic argument that we are giving them more this year than we gave them last year.

I have heard the Provincial Secretary for Social Development and others make the argument. It is an argument that does not hold much water when it actually applies to covering the costs of the programs concerned. The percentage figures tell us that in the last five years support for education from the government of Ontario to the county of Brant has been reduced by 11.2 per cent.

All they can do in Brant county is try to cut costs and turn to the property tax base and hit us very hard. That is what they are doing. They have no alternative because in many respects they have little control over their costs. It is the government of Ontario that imposed the county system many years ago. It is that government which imposed the elaborate administrative superstructure we all know about and which is needlessly costly. The local boards had nothing to do with that.

As a matter of fact, the then Minister of Education insisted on the appointment of this hierarchically-controlled mechanism. It even had to okay the credentials of the appointees and it even approved the salaries. At the time, many of those people who took on the duties of directors of education were employees of the Ministry of Education who moved from the ministry back to the counties with, at that time, an astronomical pay increase of 10 per cent across the board. It was an almost unbelievable increase. Now we give everybody around here a 13.8 per cent increase and never bat an eyelash but that is more or less a comment on the times.

The local boards have little or no control over the costs. The government refuses to remove the right to strike for the teachers. The secondary school teachers are now getting an average of just under \$30,000 a year and that is as of September, 1980. The most recent negotiations have moved them far above that.

The administrators, even in small counties such as Brant, are paid well in excess of \$50,000. They are extremely well qualified and naturally they, like most other people in positions like that—positions that we share to some extent even here—spend at least part of their time maximizing the importance of their positions by requiring more staff and so on. It is natural. It does not happen just at education; it happens everywhere. But the administrative costs that



were dictated by this government have become a terrible drain on the taxpayers, particularly in these days when support from the centre is decreasing.

At the same time, this government—in fact, this Legislature—is imposing new and increased education costs. Bill 82, which I for one support, is going to carry additional costs that will not entirely be carried by additional funds from the provincial Treasury; there is no way they will be. I see that my good friend the Provincial Secretary for Social Development (Mrs. Birch) is frowning at me, but I am quite sure that when the figures are added up there definitely will be an additional cost at the local level.

Many of the school boards, in negotiating over the years with their teachers, have built in costs that now are of substantial concern. For example, many of my friends in teaching, people my age, are looking forward to retiring in the next three or four years, well before the age of 60. The argument they give is that teaching is not much fun any more. I do not know whether that is a function of their age or of a change in the realities of education.

A good many of my friends in teaching that I talk to who are fairly senior in administrative positions say, “There is no way I am staying until 65.” The magic number of 90 years of service plus age, or whatever it is, is going to be achieved, and they will retire with an indexed pension plus a gratuity of half a year of their salaries, which in most cases are well over \$40,000.

Any of those friends who read my remarks may want to take a shot at me. I cannot be personally critical of any of them, because we have certainly done the same thing here. In our own rather tenuous occupancy of these jobs, we want a severance clause that will give us half a year’s pay and so on. It is a natural thing. But the point is that these costs are built in and particularly—

Interjection.

**Mr. Nixon:** Well, one receives the severance if one is beaten or quits. You get three months’ salary at present. The member should think about it.

**Mr. MacDonald:** I am aware of that. Is it six now, or three?

**Mr. Nixon:** It is going to be six, we think.

**Mr. MacDonald:** I was asking if it was a reality yet. I know that the honourable member is on the inside.

**Mr. Nixon:** Oh, I see. All right.

**Mr. Wildman:** It is not something the member for York South (Mr. MacDonald) will have to worry about.

**Mr. Nixon:** I know that the last thing in the honourable member’s mind would be a requirement of any sort of severance assistance. I am very glad to hear that too.

One of the problems is that these senior teachers, when they really come into their full powers of ability and strength and energy based on real, practical experience, are simply saying: “That is enough for me. I am going to take my indexed pension and my half-year severance, and either I am going to have a new career or I am going to grow gladioli,” or whatever it is they really want to do. It is a marvellous thing.

They are not very senior by way of age. I used to think 58 or 59 was a pretty ripe old age, but I now realize it is not; and I know that the member for York South will agree with me there as well, though not the Provincial Secretary for Social Development.

One of the problems, besides the loss of dollars, is the loss of good teaching ability. The quality of education is a matter that must concern us very much indeed.

I want to say, just in passing, that I deeply disapprove of the process brought about by the Minister of Education whereby she continues to divide elementary and secondary education into two mutually exclusive panels. It might be convenient to do this for accounting purposes, but to have the kind of thoroughgoing and expensive review of education quality that separates the elementary grades, kindergarten to grade eight, from the secondary, grades nine to 13, perpetuates one of the illnesses in our education system.

**12:10 p.m.**

We cannot even get the teachers at the two levels to come together in one professional organization. I deeply hope that can be achieved in the future. I feel it is a very serious mistake for teachers to divide themselves as to men and women at the elementary panel, elementary from secondary and Catholic as opposed to public.

I feel these divisions should be phased out and the importance of the Ontario Teachers’ Federation emphasized. It could then act in the best interests of the teachers. I suppose, number one, it could act as a union function, but its professional function could then be strengthened in a way that I feel has been sadly lacking in the last decade.



I want to turn to a second item of great importance in our area. Once again, I appreciate very much that the Provincial Secretary for Social Development is good enough to be here. The Minister of Health (Mr. Timbrell) was here a few moments ago, but I raised the matter privately with him.

The second item deals with the Willett Hospital in Paris in my constituency. I have raised this repeatedly, but it is almost a characteristic problem associated with the way this government deals with community matters of this type.

Without spending too much time on it, I simply say to the honourable members that the Willett Hospital was a typical high-quality operation in a small community population. In Paris, there are 6,000 to 7,000 people. It is named for the the Willett family, which provided the land. The community provided all the funds to build the hospital and has had outstanding active treatment care for more than 60 years in that community.

With the encroachment of the Ministry of Health and our health services—hospital, medicare and so on—the government has gradually taken over 100 per cent of the control of the operation of the hospital. Naturally, it has its own board and administrators, and I would be the first to say that they are doing an outstanding job in very difficult circumstances.

The Treasurer, who was here a few moments ago, would recall that one of his responsibilities as Minister of Health was to travel to Paris and call together a group of people to announce the hospital was going to be closed. It must have been a traumatic experience for him, particularly the aftermath, because the public pressure forced the government to withdraw from the decision to close those hospitals.

As a matter of fact, in the heat of one the exchanges last week, the Treasurer—who was then the Minister of Health—said that the pressures caused his heart attack. I felt that he said that seriously; he was not kidding. I can understand why that was so, because it was a terrible experience for him. It was worse for the community to think that some politician from miles away would simply arrive in a big shiny car one day and say: "Your hospital is closed," and that is that. Thank God for the sensitivities remaining in the democratic process that caused that decision to be reversed.

Since then we have been living in the most dislocating situation as far as hospital services are concerned. We have gone through a series of supposed rationalizations, where they would

take the obstetrics in the hospitals of the county and centralize them in one area; they would close the emergency ward and centralize it in one of the hospitals. In each instance, the Willett Hospital, being a smaller one in a smaller community, had to give up the service. On more than one occasion it was—I would not even call it the good sense—the willingness of the hospital board to co-operate that saved the so-called rationalizing arguments and continuing discussion.

Halfway through, the Brant County Health Council was imposed on us. I do not want to spend a good deal of time on that. I have said before that I felt this was really a device whereby in these bad times, in these times of retrenchment, the Minister of Health did not have to make the serious and retrograde announcements in the local community. He would leave that for the local health council.

In our instance, as in others, the council is made up of outstandingly capable people who do not have the powers they should have; in fact, they have to carry the opprobrium of making decisions, which the local community seem to be against, about the continuation of the quality of health services.

They finally achieved a rationalization agreement that would take active treatment out of the town of Paris and expand the Willett Hospital as a chronic care facility. Incidentally, it would make it the largest employer in the town, and many people, including myself, were very concerned that we lost the active treatment capacity.

There was a certain give and take in that the ministry agreed there should be a new emergency service. There would be certain holding beds there so that active treatment could be continued pending the transfer of patients to Brantford or, in the instance of certain other problems, to our main hospital at the McMaster University Medical Centre.

The problems arose when we started to implement the rationalization agreement. Once again, I feel the board of the Willett Hospital bent over backwards to be co-operative. They could have stopped the process and raised the devil and said, "You are not going to do this to us," and it would have been another of those confrontation businesses, but they chose not to do that. In the long run, I believe they conducted themselves very well and certainly deserve a good deal of credit.

There was supposed to be sufficient savings to pay for the capital cost of the changes. In



reviews of the costs, it appeared that this would be possible. Then it appeared that \$325,000 would have to be found by the board of the Willett Hospital, in addition to the money coming from Toronto, to accomplish the change. The board even undertook to do that. They went to the corporation of the town of Paris in the county of Brant and got their agreement that there would be additional taxation to pay the \$325,000.

These officials from Toronto working for the ministry came up to review these things and look at the plans, and it soon became apparent that the \$325,000 was just a wild guess. When they actually made the plans, with the delays that are built into the bureaucracy associated with the Ministry of Health, it now appears they are going to have to find more than \$800,000. This is an impossible amount of money to be raised under these circumstances. It is simply impossible.

The community has been sensitized to the extent that as soon as it appears once again that the situation is breaking down, everybody just rises in anger. That is what is happening right now.

I received a call from the mayor of Paris this morning, I have heard from the administrator of the hospital, and the chairman of the board has written me a number of letters. In each instance, I try to do what I consider my duty as the member for the area and contact the Minister of Health. I have a high regard for the Minister of Health. I feel, in general, he has coped with a very difficult situation of ponderous bureaucracy with too much inertia and with problems controlling their budget. He has coped with it quite well.

In the past I have always had a good response from him for individual problems, such as the Willett Hospital, where he would take some personal interest and have another look at it. In this instance, my letters, the most recent of which go back into April, have not elicited the response I have previously come to expect.

I do not suppose it is unfair to say that in personal conversations recently he has indicated they are looking at it and they hope to be able to come up with a program that is going to be acceptable. He knows that the \$800,000-plus program is not acceptable. He has now agreed that his officials will undertake a special exchange of information meeting with the mayor and the officials of the hospital.

I hate to take the time of the whole House talking about one hospital, but it is very much a

classic example of the inadequacies of the leadership of this government over a number of years. They enter into Draconian decisions, ill thought-out, which have to be withdrawn, then try to compensate for that bad judgement and, I suppose, the political embarrassment of having to change their minds, with a series of nonproductive meetings not substantiated by proper factual material and the imposition of a health council from which all the medical services in Brant county have been withdrawn now for a number of years—the doctors do not participate as a professional organization—resulting in something that has approached chaos in the provision of health services.

So that I am not misunderstood, I have to say that the hospitals have continued to function very well indeed. There have been a few complaints about inadequacies in facilities, but nothing as dramatic as some people had expected. Surely all this process should be giving us better service for less money. In fact, the service has deteriorated, certainly in Paris, and is costing us hundreds of thousands of dollars more.

**12:20 p.m.**

This is not just a normal inflation problem. It was poorly conceived, poorly thought out, and the leadership from the ministry was inadequate. They said they must move to restore confidence not only in the health services in the Brant community but also in the ministry itself. As I say, meetings have been arranged, but I wanted to bring this to the attention of the House since it is a matter of grave importance in my own area.

The next thing I want to talk about has a more general importance. It is quite an interesting issue since it was dealt with by the standing committee on public accounts as recently as a few months ago. I refer to the commitment by the government of Ontario to the acquisition of lands in my constituency and partly in the constituency of Haldimand-Norfolk to develop a new town called Townsend.

I will not take the time of the House to review the entire background associated with the visionary concepts of the then Treasurer, John White, in buying two city sites within six miles of each other in the Haldimand-Norfolk area. That the decisions were preposterous is an argument we have made before elections and after elections for a number of years.

The land sat there without development for quite a long time until the present Minister of Housing (Mr. Bennett), soon to be minister of



municipal affairs and housing, decided, probably with the concurrence of all his colleagues, that to bring some honour to the purchase of those lands one of them had to be developed. I will not list Edwardsburgh and all the rest of them or all the shenanigans that went on, but Townsend was selected as the one that was going to be nailed to the masthead and was going forward as a development, come what may.

The acquisition and interest costs have been tremendous, close to \$50 million. Anyone who wants to go down there and see where our tax dollars are being spent will really find it amazing—parkways, divided highways, bridges, ski trails and new lakes. It has all been built in the new town of Townsend, right out in the fine farm land of the former township of Townsend, now called the city of Nanticoke.

Part of the problem is that regional government was imposed on the whole area and the new town finds itself astride a strange municipal boundary. It is partly in one of two school board areas which were not put together at the time of regional government. We still have a school board for Haldimand and a school board for Norfolk, and this community find itself astride the border. The kids who will go to school from there will have to go to different school systems.

The costs have been tremendous. Right now we taxpayers, through the Ontario Land Corporation, are building a \$2.2-million shopping centre right in the middle of the new shopping and commercial district of the town of Townsend.

The government is pressing in the most irresistible way for the regional municipality of Haldimand-Norfolk to build its new regional headquarters, which is estimated to cost about \$2.5 million and will undoubtedly be closer to \$3 million, right in the centre of the new town of Townsend. They have partial agreement from the region to go forward. One of the lower-tier municipalities has agreed not to participate, but I feel sure the government will persuade it to take part by sweetening the financial deal.

All these things are happening. The property was purchased for close to \$40 million, and the interest payments have gone on. Farm prices were completely dislocated and to some extent still are. They have more than 4,000 hectares of property associated with the new community. The money has been spent, the shopping centre is being built, the school organization is established and the regional headquarters is going in. There is a new lake, ski trails, everything—and there are only 12 houses with people living in them.

The situation is really astounding. When the decision was made almost two years ago to make this community go, come what may, the Minister of Housing authorized an elaborate advertising campaign. Four-colour brochures were inserted in all the dailies for miles around—certainly in Hamilton, London, Brantford and so on. I doubt if it got into the Toronto papers, but it may have. They are beautiful brochures, “Come Home to Townsend,” showing a nice family walking beneath the trees and by the lake. It was worthy of Cadillac Fairview—maybe even a bit better than the kind of super world-class advertising development.

They even got the famous jingle writer, probably the guy who promoted “The Promise,” to do a jingle called “Come Home to Townsend”—a very catchy, good tune: high quality, the best money could buy. They spent about \$250,000 on direct promotion of the sale of homes in this model community. This promotion has been going on for 15 months—closer to 18 months, actually—and there are 12 families living there.

The local paper did a review and they interviewed the families. They say, “We like it here. Everything is new. It certainly is not crowded.” And they say the government has decided that Townsend is going to go, no matter what. I believe that is so. The government has just been re-elected with a majority, so there will be four years at least during which this inexorable pressure of money and policy is going to continue to be brought to bear.

Go to the towns of Jarvis, Waterford, Delhi, Simcoe or Port Dover, where there are any number of houses for sale, any number of businesses with “For Rent” in the window. The idea that there was going to be a tremendous surge in population was simply a terrible mistake by the experts advising the government some years ago. As a matter of fact the population growth has been zero, and in many areas it has been slightly less than zero.

There is no great influx into the area. People working at Stelco tend to live in Hamilton, and they can drive down to work quite readily. Many who have decided to move into the community have opted to move into the older, established communities like Port Dover right on Lake Erie—a beautiful marina, a nice county road right over to work. Why should they be up in Townsend?

Do not misunderstand me: Townsend is beautiful farm land. Some time you should take a picnic lunch, drive up there with your kids, drive along these little country roads and see the



farm houses abandoned, the barns with the boards falling off. The land is quite well farmed, because it is leased under advantageous circumstances to very competent farmers. I do not know what the answer is. The Globe, when I referred to this, said that I said the place should be abandoned. It would really be a weird thing to abandon it. You have heard of ghost towns. I do not know what you would call this.

**Mr. MacDonald:** You have to have a town to have a ghost.

**Mr. Nixon:** That is right. The town is there, but there are very few ghosts.

All I can say is that the original decision should have been to accommodate any changes in population by expanding the facilities of the surrounding towns. They already have the basic services of sewage disposal, street lighting and garbage collection. They have good schools and they have been closing schools. They closed 10 schools in Norfolk, and there is a possibility of closing one of the high schools, because the population growth has not been what was expected. There is room in the curling rinks, in the arenas, in the churches, God knows. All those facilities are there, and if it were necessary to expand the servicing to accommodate the change in population this could have and should have been done.

The mistakes have been horrendous. While I want the government to spend more money on the hospital in Willett I want it to spend less money in Townsend. I believe the money should be spent to improve the facilities of the surrounding communities. But there really comes a time when they make mistakes they cannot correct. I do not know what the answer is. I do not know what the Minister of Housing intends to do. I suppose he thinks, like Pollyanna or one of Dickens's characters, that things are going to get better. And we all hope they will.

But I think the days of fantastic population growth, where people have to be accommodated in new communities—"Levittowns," or whatever they used to be called in the United States—are past, and that the pressure of population growth is off. I am very much concerned that the government's decision relating to Townsend is almost an irrevocable error. I am concerned indeed about the commitment of tax moneys now amounting to close to \$60 million to serve these 12 people. I do not know what the future is there, but I think we should all be aware of the error made by the government

in this connection and the fact that it has to be corrected in some effective way in the near future.

**12:30 p.m.**

I want to close by making a direct comment about the agricultural industry. I probably represent one of the most highly intensive agricultural communities in the whole of Ontario. Other members from Oxford, Middlesex, Kent, Essex and on into the Chatham area perhaps have property that is more valuable per acre, but those members also represent some urban areas as well. I have been appalled at what has happened in recent weeks to some of the well-established farmers in our area. My colleague the member for Huron-Middlesex (Mr. Riddell) has very effectively brought the problem to the attention of the House and of the Minister of Agriculture and Food (Mr. Henderson). The minister has not responded in the way we feel he should. I want to assure you, Mr. Speaker, that my colleague has in no way exaggerated the problems faced by our farmers. These are not people who have overextended themselves in a new farming operation. In most instances, they are family farms where there has been the proper use of credit. They have been well advised by the Ministry of Agriculture and Food and their representatives to expand their facilities to raise hogs, to establish feedlots and to put up modern facilities that are labour-saving and essential if we are going to compete with producers from other provinces.

These young men—and a couple of women—have phoned me almost in a panic indicating that as the interest rates go up they are under heavy pressure from the banks to liquidate some of their holdings in order to reduce their debts. In more instances than I care to think about, they have actually been foreclosed. A very good friend of mine, a young man in his early thirties, was a member of the local council and an outstanding farmer. The bank came and took all his cattle away and he is out trying to sell feed to his neighbours in order to make enough money to keep his family together. I have no fear at all for the future of that individual gentleman. Whatever he does, he is going to make out all right. But there are clear instances where young farmers particularly have not had the sort of support they should have expected from the government of Ontario.

Before the election, we did have an interest assistance program. It was inadequate, but there it was, funded with \$25 million. Only a small portion of that was used. Now that the



Minister of Agriculture and Food is supported by a massive, and in this connection thoughtless, majority, he is stonewalling the farmers by saying this is a federal matter. This is certainly not good enough. I personally predict it will be the end of the minister politically if he does not come up with some reasonable alternative programs so that farmers, at least, are under the impression that this House is responding to the substantial needs they have.

In question period the other day, I tried as briefly as I could, and under the restrictions of the question period, to compare Ontario agricultural programs with those in Quebec. I will not take the time to describe the seven specific programs in detail other than to say in the most recent budget Ontario is committing \$191 million to agriculture. This is the budgetary requirement for the furtherance and administration of our agriculture programs. Quebec is committing \$342 million. They are not only committing a huge amount of money, but it services only 43,000 farms in Quebec.

In Ontario, using the same counting procedure, we are servicing 77,000 farms. This means that on a per-active-farm basis, Ontario is allocating, through the Ministry of Agriculture and Food, \$2,481. That sounds like quite a lot of money. As a matter of fact, I know some farmers who would say, "Close down your offices, send me the \$2,400 and I can do more with it than you can." Ontario is spending \$2,481 per active farm. Quebec, on the other hand, has allocated \$7,933 per active farm.

If I might simplify it for my own use, Quebec is allocating three times the number of dollars per farm more than we do in Ontario, through imaginative, modern, up-to-date programs designed to meet the needs of the farmer.

That deals right now with assistance in credit and in establishing feedlots. There is even a program whereby cattle, when they are sold, have a subsidy associated with them which improves the return to the farmer in a market that does not provide the revenue to meet the advance costs.

One of our best farmers in Brant county—his family has been growing beef for five generations, and there is no doubt it is one of the most efficient operations in Canada or anywhere—was talking to me about taking a load of cattle to the stockyard in Toronto.

A friend of his had gone to Quebec and established a feedlot operation there about three or four years ago. He listed the assistance the Quebec farmer got: a \$40,000 grant to

establish the feedlot, a no-interest establishment loan plus a low-interest, long-term loan to assist him in getting going.

But then the Quebec farmers find it useful to bring the cattle up to Toronto where the prices are comparatively good, in competition with the Ontario farmers. They compete and sell their cattle. The Quebec farmers, as soon as they sell, also get a subsidy of approximately 17 cents a pound. In the same stockyard, they turn around to buy replacement cattle at auction and, of course, those from Quebec are in a position to outbid the competition and take the cattle back home to Quebec to begin the operation over again.

This is not the first time this sort of thing has happened. Quebec, because of its government's policy, has expanded its share of the milk, chicken, egg and pork markets, and now is expanding its share of the beef market while we sat around complacently as a series of cabinet ministers, particularly the present one, indicated, "We are the best farming community and our farmers have the resources and the resiliency to maintain their markets."

That is simply not so. I do not know what we can do to convey this to the Minister of Agriculture and Food in a way that will force him to respond. I feel he simply consults with one or two of his colleagues, such as the Premier and the Treasurer, and the advice is: "Lorno, just stonewall it. We have a majority. We don't have to do anything more. That is just the opposition carping at us."

On this side we feel this is an important issue to which the government is not responding in the budget. The amount it has allocated for agriculture is exactly one per cent of the overall budget, and some of that is returned to them. The nonbudgetary part is returned; the loans given to farmers for drainage are paid back, the federal government pays part of the administrative costs of crop insurance and so on.

A good deal of the tobacco smoked in this province is grown in my constituency. The tobacco tax alone will net us \$350 million this year. We are spending only \$191 million on the whole agricultural situation. It is unfair. The farmers feel it is particularly unfair that a government that has just been re-elected with a majority is so insensitive to them.

Many of them support the government, not that that is relevant in this instance but it is something to bear in mind. They feel a government with the power to act should certainly not exclude the farmers at a time when their finan-



cial needs are so great and when we should be providing initiative and leadership to assist our farm community in those things that they feel are good for Ontario and for Canada.

I am glad to have had a chance to put some of these things before you, Mr. Speaker. I close by wishing you well personally in your responsibility. I am always quite interested and attracted to your—

**Mr. MacDonald:** Free-wheeling.

**Mr. Nixon:** Free-wheeling; I was going to say “casual,” but it is something better than a casual approach even in this august position. I can assure you of my personal support until, of course, you do something I cannot agree with.

**12:40 p.m.**

The Premier (Mr. Davis) said we on this side do not understand we have been beaten. I do not look at politics as a game. In many respects we are all here as equals. It is up to us to speak for the people back home and, I suppose, to speak for ourselves as well in expressing the judgements we have on the policies of the day. We want to support our parties, and I believe we do that as effectively as we possibly can.

One of the things that the people opposite have missed for 38 years, I suppose, and they are intent on missing it longer, is an experience in opposition. Of course, there is nobody over there who has ever had that experience, and now there is nobody on our side who has had the experience in government; so in a sense there is a lack of understanding, a lack of communication.

We see these people floating around in their big cars. They are friendly. They will offer us a ride every now and then. Some of them are very friendly indeed. I have no objection to that, but there is even a feeling among the electorate that unless they are talking to a cabinet minister they really have no contact with this House.

If there is any tiny complaint I have with the electorate it is that they are overimpressed with the men and women who arrive in the government cars with a retinue of aides running along beside them saying, “Here comes a minister.” Mr. Yaremko used to do it best. He almost had flags on the fenders—not quite, but almost.

I believe that one of the things we can do is to emphasize the equality we all have basically in the electoral process. Some have been selected to advise His Honour, but that does not do anything to their IQ. It does a little bit to their bank account—not enough, I am told, but that is another matter. They do not change because

they are ministers. To be fair, most of the ministers opposite understand that. I do not believe they tend to inflate themselves unduly except when it is absolutely necessary.

In the view of the electorate a cabinet minister somehow has some sort of special blessing that makes him smarter. I do not believe that is so. We have the abilities we are given. We have the other abilities to work or not to work in support of those abilities. I, for one, do not accept the Premier’s dictum that we just do not know we have been beaten. We have a responsibility that is as high and important as his. I think the exchanges in this House in the future can and must reflect that.

There are things that have happened on all sides, in all parties, that perhaps we would like to do again. In the heat of an exchange, things are said on all sides that do not read very well in Hansard and do not even make sense when we think about them afterwards. But this is never going to be one of those Goody Two-Shoes places. I think it is one of the best democratic forums in Canada and I think, perhaps in many respects, it can be much better.

People are often apologizing for the way we appear to the people in the gallery. Thank God there are not too many here today. I get letters from Girl Guides and the school kids saying: “Isn’t that awful? Somebody was actually reading a newspaper.” They do not understand that this is not a public meeting of the type that most people attend where they go in at eight o’clock, they sing “O Canada,” the chairman gets up and does a few things and they sit there, and then when it is all over they have a cup of coffee.

This is in some respects almost like a family discussion where each person probably thinks he or she is equal to all others and, under the rules of the House, has not only the right but also the responsibility to put forward his or her views. We cannot insist that the views be listened to, but we do have the right to put them forward. In the time at my disposal during the last hour I have put forward some of the things that are of interest and importance to my constituents. I thank you, Mr. Speaker, for that opportunity.

**The Deputy Speaker:** Thank you, Mr. Nixon. Thank you for your flattering comments, although I have to brush up on the prayer, I found out this morning.

**Mr. MacDonald:** Mr. Speaker, I wish to reiterate the last speaker’s best wishes to you in your position and advocate that you continue



with your casual, free-wheeling approach, or whatever the appropriate adjective is for it, which is a refreshing change or addition.

One of the tragedies of these omnibus debates, the throne speech debate or the budget debate, is that they are not debates at all. They are a series of speeches that take no account of what has gone on before and are not really interested in what comes on afterwards.

I would like to comment on some of the things the member for Brant-Oxford-Norfolk (Mr. Nixon) has said, and even on occasion to challenge them, but he has left me with very little time. There are a couple of items that I do want to deal with; so I am going to forge ahead to those rather quickly.

The first item is my main responsibility as critic for the Ministry of Agriculture and Food, and on this he has done so much of the work that I am not going to repeat it. But I think it is necessary for us to emphasize the fact that this government refuses to give to the Ministry of Agriculture and Food the importance that it is worthy of in the economy of Ontario, and they are going from bad to worse.

We have heard so often, and again today, that the budget allocation for what used to be and still is the basic industry, or one of the basic industries, of the province is in the range of one per cent. In fact, if you do your calculations, and you need to have a very good computer to do them, you will find that it is fractionally down from what it was last year.

After the election, the government has its majority. It got the votes, at least in some places; so the allocation is fractionally down. In the crisis that has now come upon the agricultural industry—centred, although not exclusively, on the interest rates—this government has dug its heels in and in effect is insensitively saying, as Pierre Trudeau is saying in Ottawa: "People will have to look after the problem themselves. We are not going to do anything to solve it." The government's argument is that the problem of high interest rates was created in Ottawa, and it will have to be solved in Ottawa.

The crass cynicism of that is what really gets me. There was no difference a year ago. The problem was being created in Ottawa and therefore presumably should be solved in Ottawa. But it was a pre-election period and therefore this government was at least willing to acknowledge that it might have some responsibility. It allocated \$25 million, which, I emphasize, was inadequate to meet the problem, but at least they allocated it. They spent only \$5

million of it, and the crass cynicism of wiping out a program when the money had been allocated, because the election is over and now you can say, "Be damned. Let the industry sink or let them look after themselves," is really beyond belief, but there it is.

To get into the budget, I was interested this morning in calling up the Ministry of Agriculture and Food to get a little clearer picture of what the government is going to do about the elimination of property taxes on farm lands and buildings. We in the New Democratic Party are particularly interested in this.

At our founding convention in 1961, one of the elements of our program with regard to agriculture was that the tax on farm lands should be eliminated, because farm land is not the same as property in the normal sense of another person having property. Farm land is the tool of the trade of the farmer. He has to have farm land to be able to do his business, as the carpenter has to have tools to do his business; therefore, for farm land to be taxed as property at rates roughly comparable to what other people pay who happen to hold property is grossly unfair.

The government had to acknowledge its unfairness and it came up with an ad hoc piecemeal approach, which it has gradually built up until it is meeting 50 per cent of the tax on farm lands. But now the Liberals in Ottawa, with their monumental insensitivity, are going to tax the grants they got here. The government moves quickly; it moves so quickly that it has not worked out any of the details of the program.

This is almost as urgent and as crass an issue as that first home owners' grant a few years ago, in which the government handed out money before an election as though it was going out of style. There was ultimately about \$13 million it should have but it could not reclaim.

The government does not know exactly how the program is going to be handled in terms of when it will start. In the estimates for this year, there is going to be another \$50 million for the tax reduction on farm land. So presumably it is not going to start until at least the calendar year of 1982, or conceivably in the 1982-83 fiscal year.

There is no decision as to whether they are going to compensate the municipalities for the loss of taxes by a lump sum to the municipalities, which would be administratively the least costly



way of doing it. I bet what they will do is send out a cheque to every little farmer. I bet they will do it that way.

**12:50 p.m.**

It is something that was suddenly thrust on it, and the ministry from the deputy minister down has not had a chance to discuss it and work it out. That is not the way to handle an industry as important as this with efficiency and foresight.

I cite another one, stockyards, just in passing. We have known for years it was an anomaly to have stockyards in the middle of a residential area in Metropolitan Toronto, and we know protests have been made. Some of my constituents were among the protestors with regard to the environmental degradation created, the smells that have to be lived with during the summer.

Suddenly, on the eve of the election, the stockyards are to be moved to "an optimum site." Some of the press conferences indicated the optimum site is going to be north of Toronto. There were some assurances they would meet with everyone who might be involved, presumably the packing houses which, not knowing the government had this in mind, spent millions of dollars expanding their existing facilities.

People have bought houses. They are now going to be charged more for transportation. They are going to have to travel far to wherever the stockyards are put. What is happening on it? I asked the minister. Nothing is happening on it. He has not yet had a meeting. Who he is going to meet with I do not know. It is not the way business is handled by people who claim they are businesslike and are administrative people who know how to run the store.

However, the final comment I want to make about this ministry without going into any more detail is that its main problem is its dwindling credibility. Its growing lack of credibility is centred on the minister. The Premier (Mr. Davis) and the government apparently feel they have to save face; so they are going to dig in their heels and stick.

That credibility has sunk once again because of this whole episode of rescinding the experts within the ministry with regard to what was going to happen to those 1,200 acres up in the town of Vaughan. It is ludicrous for the minister to say he does not know who the developers were. Who does he kid when he says that?

So he sends out the member for Elgin (Mr. McNeil), his parliamentary assistant, and builds him up as a graduate of the Ontario Agricultural

College (Guelph)—the mental giant sending out the mental giant to solve this problem. They had experts who assessed it in terms of the guidelines which they themselves had created and the parliamentary assistant to the Minister of Agriculture and Food (Mr. Henderson) goes out and supersedes them with a bit more wisdom. Come, come. How gullible does he think we are?

It is another blow to the credibility of this minister. Do not take my word for it. It is not only incompetence and other things that would get me into trouble if I were to add them to the incompetence. I put some of these on the record in the throne speech debate, but let me put them again.

There was the comment of Mr. Brian Crawley of the Wellington Federation of Agriculture, who moved the resolution that may be considered in July by the Ontario Federation of Agriculture calling for the minister's resignation. He said, "It reflects on the integrity of farmers to have a man of his calibre there." Quite true, it does reflect on the integrity of farmers.

Listen to the president of the Frontenac county federation: "We expect an agriculture minister to look after farmers and have some clout with the cabinet. He doesn't seem to have it or an interest in it. He doesn't seem to be interested in getting agriculture in Ontario going."

I will not repeat it, but I quoted from literally every county spokesman at the Ontario Federation of Agriculture meeting where this was being discussed. Everyone was critical.

What is the reaction of the minister when this criticism comes? This is positively Shakespearian, and the last place in the world I would expect a Shakespearian comment to come from is the Minister of Agriculture and Food. But what does he say? He says: "I am not unhappy with myself. Let them talk, the common rabble out there, the farmers. I am not unhappy with myself." The tragedy of it is that, if the Premier is unhappy with him, he is not manifesting it and therefore the whole agricultural industry is getting into deeper and deeper trouble.

I want to turn quickly to another point. I am not going to have time to deal with it to the extent I should, and would like to. We had a really ludicrous experience the day before yesterday in the standing committee on resources development.

Ontario Hydro came before the committee for two and a half hours. It was painful because it was reminiscent of those days 10 years ago



when we had a standing committee on government commissions, and any government commission could be brought before that committee. Hydro was brought there once a year, and we had an hour's speech from the chairman of Hydro, whoever it might have been—George Gathercole back in those days. After he had finished, some questions would be asked. Leading the pack would be the member for Grey-Bruce (Mr. Sargent) on the differential between rural and urban rates. After an hour or so of that we would disperse for another year.

To review the operations of Hydro under those circumstances and in that way without any staff was, I repeat, really a sad commentary on the notion—I say to the member for Brant-Oxford-Norfolk—that this is one of the best forums for democratic expression. He should take a look at that, and maybe he would have to qualify his enthusiasm about it, because it is absolutely shocking. Now we are back to square one: two hours, because the first half hour was taken with something else, to review Hydro. We are not going to be able to do it.

This brings me to something that I know some people will regard as something of a conflict of interest for me. I have talked with the Minister of Agriculture and Food and with a number of other people about the extreme tragedy of this government's decision, at least up until now, not to reappoint the select committee on Ontario Hydro affairs.

Let me pause right there to say that I am not arguing for an appointment to the select committee on Ontario Hydro affairs per se. I would be the first person to concede that it would be more sensible to set up a committee on energy if we want to look at the broader picture. Even in the committee on Ontario Hydro affairs we had to look beyond the parameters of Hydro at the substitution of other fuels; so that we were considering all matters.

But we must have some sort of public forum to be able to come to grips with all the problems that flow from Hydro and other aspects of energy. It cannot be done with a few hours in the Energy estimates and, tucked into those few hours, a couple of hours of consideration of Ontario Hydro itself.

I have an editorial here, Mr. Speaker, from an area not very far away from you; so I am sure you may have seen it. It is an editorial from the Peterborough Examiner of May 13, entitled "Ugly Sounds." One of the ugly sounds from the majority government here was the word that the

select committee on Ontario Hydro affairs was not going to be reappointed. The editorial makes two or three very interesting points:

"They are particularly bad in the case of the standing committee on Ontario Hydro. That is a committee that has brought Ontario Hydro closer to the customers, from which it has been steadily drawing away. In the process, a public-interest bond was formed that even Hydro officials themselves considered valuable."

One of the problems of Ontario Hydro is that people could not get at it. It was that monstrous corporation at a distance. It appeared to be insensitive; the people could not get any reaction that was satisfying to them. In the select committee on Ontario Hydro affairs we had a forum in which there was an opportunity to discuss matters, to have testimony on both sides, to have an opportunity for an outlet—a bloodlet, if you will—whenever it was necessary.

The incredible thing about this is that Hydro wants the committee to be continued. Hydro realizes that the committee is an advantage to it. But this government, for its own—and forgive me—political reasons, has decided that the committee is not going to continue. What has Hydro said? Let me read another paragraph from the editorial. Even Hydro chairman Hugh Macaulay cannot find it in his heart to approve disbanding the committee:

"The process of public discussion of what Hydro is doing has served the people well," he declared." Hugh Macaulay said that. Then J. E. Wilson, the utilities manager of the public hearing department, said, "I think the general consensus in Hydro has been that it has been a helpful process."

I know that is the general consensus in Hydro. I know it is the general consensus among the opposition parties. At least the member for Halton-Burlington (Mr. J. A. Reed) has indicated, and I presume he was speaking on behalf of the Liberal Party, that they would like to see it reappointed.

My time is about concluded, and I shall adjourn the debate and hope that at some time there will be an opportunity to elaborate on this. Without going into detail, there are five or six major areas of unfinished work before the select committee on Ontario Hydro affairs. Its work should be finished, in the public interest. Hydro would like to see it finished; the opposition parties would like to see it finished. May I dare to suggest and be presumptuous enough to say it would be a very important educational force for the government members to have it finished?

I place that in the full context, not just of dealing with Hydro, but the whole interrelations with the whole energy field.

**Mr. Nixon:** Maybe Allan Schwartz could speak to the Minister of Industry and Tourism. (Mr. Grossman).

**Mr. MacDonald:** Maybe Allan could speak to the Minister of Industry and Tourism, but every time they have asked the Minister of Intergovernmental Affairs (Mr. Wells) he has said: "Well, there is not a final decision yet. You know, we do not appoint select committees until just before the adjournment for summer."

May I quietly say to the Minister of Intergovernmental Affairs, to the Minister of Energy (Mr. Welch) and to the Premier (Mr. Davis), that in the government's interests, in the interests of everybody involved, including Hydro, I hope they will consider appointing that as one of the select committees so that they will have a forum to take a look at this increasingly vital and incredibly complex area of energy.

On motion by Mr. MacDonald, the debate was adjourned.

The House adjourned at 1:01 p.m.



## APPENDIX

ANSWERS TO QUESTIONS  
ON NOTICE PAPER

## AUTOMOBILE INDUSTRY

**90. Mr. Cooke:** Would the Minister of Industry and Tourism table any studies or reports that have been carried out by his ministry or any other ministry to determine the location of the auto parts technology centre? Further, would the ministry explain the economic reasons for the Windsor-Essex area being eliminated from the list of possible locations? (May 12, 1981.)

**Hon. Mr. Grossman:** The design, development and establishment of an automotive parts technology centre required the collection and analysis of data related to technological trends, industry needs, and existing technological capabilities. In order to assist in determining programs and services the centre should provide, the Ministry of Industry and Tourism has:

Commissioned the Ontario Research Foundation to carry out a marketing survey of industry needs. This report is now in its final draft stage and will be tabled when finalized;

Reviewed reports carried out by other governments, agencies and private firms to determine technological trends in the industry and to identify what other jurisdictions are doing, or will do, for their auto industries. These reports come from a variety of sources, such as the Canadian Ministry of State for Science and Technology, the Science Council of Canada, the US Department of Commerce, the US Department of Transportation, the OECD, Arthur Andersen and Company, and Booz, Allen and Hamilton.

All of these studies confirm the need to upgrade our technological capability and point to needs which the centre can serve.

A key factor involved in the location decision is the need to be central to a widely dispersed client base stretching from Oshawa in the east to Windsor in the west and as far north as Muskoka and Owen Sound. There is also a need for excellent transportation links, in particular in terms of international transportation connections, and in relation to other research and technical institutes, engineering and business schools, and university research facilities. In addition there is a requirement for established accommodation facilities.

**91. Mr. Cooke:** Would the Minister of Industry and Tourism table the list of 73 major new auto plants or expansions that have taken place in Ontario in the last 24 months referred to on page 99 of Hansard, April 27, 1981? Further, would the minister report on each of 73 plants or expansions how much financial assistance was given by the Ontario government, which program the money was sourced from and what the job guarantees are in each case, as well as the skills training guarantees in each case? (May 12, 1981.)

See sessional paper 86.

## HOSPITAL BUDGETS

**66. Mr. McClellan:** How many hospitals have projected deficits for the current fiscal year? Which hospitals are these? What are the dollar amounts of each deficit, and what is the total deficit projected for all public hospitals? (May 1, 1981.)

**72. Mr. McClellan:** Will the Minister of Health indicate how many hospital budgets have been approved for this fiscal year and how many have been appealed, listing the hospitals in the later category? (May 1, 1981.)

**Hon. Mr. Timbrell:** My ministry has requested that all hospitals submit a two-part budget. The first part, which was to be submitted by May 1, 1981, is for their current operations indicating how the hospitals will live within their funding allotment.

Part II of the budget is to be submitted by June 1, 1981, which is to give the ministry the hospital's expectations in terms of growth as reflected by increases in utilization and/or new and expanded programs being planned for the hospital.

## INTERIM ANSWERS

**95. Mr. Foulds:** Additional time will be required in order to answer the above question in detail. The information will be available on or about June 15, 1981 — Hon. Mr. Grossman.

**97. Mr. Grande:** We require additional time to prepare our response to the above question. The answer will be ready for tabling on or about Friday, June 19 — Hon. Miss Stephenson.

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Ontario, 1981

No. 33

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Monday, June 1, 1981

Afternoon and Evening Sitzings

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Monday, June 1, 1981

The House met at 2 p.m.

Prayers.

## STATEMENTS BY THE MINISTRY

### CONSOLIDATED HEARINGS BILL

**Hon. Mr. Norton:** Mr. Speaker, as the members of the Legislature will be aware, the government announced last year that we would begin application of the Environmental Assessment Act to significant municipal projects.

**Mr. Smith:** I do not have a copy of the statement.

**Hon. Mr. Norton:** Does the Leader of the Opposition not have a copy? I think they are in the hands of the pages at the moment. I am sorry; I thought they had already been distributed.

One of the main concerns raised by the municipalities during consultations before that decision was that municipal projects were already subject to various planning and approval processes which could require public hearings, the most common being the requirements of the Planning Act and the Ontario Municipal Board Act. If we are to place municipal projects under the act, they asked that the government take steps to avoid the possibility of repetitive, expensive, complex and time-consuming approval procedures.

It has been this government's aim to improve services to the public by streamlining and simplifying these kinds of procedures. In view of this and in keeping with our commitment to them, I am pleased to be introducing, later today, the Consolidated Hearings Act for first reading.

This bill provides a streamlined approval process for municipal, private and provincial projects or proposed activities which may otherwise require hearings by more than one tribunal. The basic intent is to simplify the processes which provide for public participation without sacrificing the quality of the work required by the proponents and by parties to the hearings. The rights of both proponents and individual citizens remain fully protected in this bill.

The agencies that conduct hearings covered

by this bill include the Ontario Municipal Board, the Environmental Assessment Board, the land division committees, committees of adjustment, inquiry officers under the Expropriations Act and hearing officers under the Niagara Escarpment Planning and Development Act.

It will be the possibility of multiple hearings that will bring this bill into play. Under it, consolidated hearings, where required, will be conducted by one or more members of the Ontario Municipal Board, the Environmental Assessment Board or members of both, as chosen by the chairmen of the two boards in consultation with each other. This will eliminate any need to create a new permanent board to hold the joint hearings. Some administrative staff, however, including a hearings registrar, will be required.

The decisions of this joint board will replace the decisions that would have been made by other boards. In a case where those other boards would only make recommendations to a government official for decision, the joint board can make that decision itself. Examples are decisions made by a director or myself after a hearing under the Ontario Water Resources Act or the Environmental Protection Act.

Under the bill, the joint board has the power to deal with all the factors of any given matter, or it may defer specific issues or technical details to another party for consideration at a later date. In the case of the Ministry of the Environment, for example, those details could be referred to the director for environmental approval.

The requirements for detailed planning and the provisions for allowing public access to the decision-making process provided in existing legislation must be preserved. But at the same time the government recognizes that proponents and citizen groups should not be expected to spend inordinate amounts of time and money involved in excessively long and complicated procedures. Such a situation only serves to frustrate the rights of all parties and unnecessarily delay what can be legitimately needed projects.

In this bill, I feel we have managed to develop procedures that will allow for prompt approval



and yet maintain the rights of all parties to the hearings.

### ONTARIO WASTE MANAGEMENT CORPORATION BILL

**Hon. Mr. Norton:** Mr. Speaker, in introducing the Ontario Waste Management Corporation Act, 1981, for first reading in the Legislature later today, I wish to make some brief comments to the honourable members on the purpose and significance of this legislation.

The bill provides for a statutory crown corporation with powers to provide, develop and manage facilities for the treatment and disposal of liquid and hazardous wastes generated by industry. These facilities are urgently needed in Ontario, as we are all aware. The management and business of the Ontario Waste Management Corporation, established last January under the Business Corporations Act, will be transferred to the new crown corporation.

This corporation will, as its first responsibility, prepare for public hearings before a special panel on the main facilities proposed for South Cayuga in the town of Haldimand. These hearings will provide a full public review of the suitability and safety of the site and the appropriateness and safety of each treatment facility to be developed by the corporation.

The bill will authorize the hearing panel to subpoena and place witnesses under oath so that the best and most complete information can be gathered and presented in the public hearings to ensure the best possible decision.

In this legislation, the corporation is given wide scope and powers to plan, develop and operate treatment and disposal facilities for liquid and hazardous wastes. These powers include a mandate to encourage recycling and reduction of these wastes at their industrial sources. In fact, one of the basic policies set out for the corporation is that it must protect the environment and reduce the volume of waste by encouraging reduction at source by recycling. This policy is to be followed even if it adversely affects revenue. However, the corporation is intended to pay its way. The industrial generators of waste are expected to pay the cost of treatment and disposal.

**2:10 p.m.**

While the corporation must abide by any hearing panel recommendation that may reject the South Cayuga site, it is not bound by a panel recommendation that approves that site. Given site approval, the corporation may proceed with

development or reject the site. However, if they do reject the location, then they will bear the responsibility for finding and developing another site on which to operate the required facilities.

The bill provides, in this and other ways, maximum safeguards to ensure that the industrial waste management facilities required by this province are developed with complete regard for public health and environmental safety.

I am sure I do not have to elaborate for the honourable members on the need to develop these facilities. There is a significant amount of industrial waste now being treated by the private sector in an environmentally safe manner. Some is going into storage or to facilities in the United States for as long as the border remains open. But we must keep in mind that much of it is going untreated into landfill sites.

This situation can only be changed by the establishment of treatment facilities. This legislation is intended to assist in that goal and to provide the safest and most effective answer to our waste management needs.

### VANCOUVER TRANSIT CONTRACT

**Hon. Mr. Snow:** Mr. Speaker, on Friday morning, May 29, the Premier (Mr. Davis) and I had the very great pleasure and honour of helping officiate in Vancouver at the signing of the contract for the design and construction of the new advanced light rapid transit system for greater Vancouver.

This contract will be worth approximately \$650 million by 1986, when the 22-kilometre line is finished and in full service. The parties to the contract are the Urban Transit Authority of British Columbia, a crown corporation of the government of British Columbia, and Metro Canada Limited, a wholly owned subsidiary of the Urban Transportation Development Corporation, a commercial enterprise that was created and is funded and owned by the government of Ontario.

Today is our first opportunity to table in this House copies of this contract, and I am doing so this afternoon. The tabling is in the spirit of the commitment the Premier gave in this House last December 8, when this matter first arose. At that time, the Premier also gave a commitment that the performance bond associated with this contract would be tabled in this House. The contract document provides a period of 30 days within which the performance bond is to be finalized. As soon as that is done, I will table the copies of the performance bond.

In addition, I am tabling copies of a memorandum of agreement entered into by the Premiers of Ontario and British Columbia on behalf of their governments. It provides for a sharing of industrial benefits arising out of this contract for greater Vancouver's world-class rapid transit service. An agreement of industrial benefits is to be entered into by the Urban Transportation Development Corporation and British Columbia's Minister of Industry and Small Business Development.

I am also tabling copies of a précis of the documents which, in total, comprise the ALRT system contract for greater Vancouver. Furthermore, I am tabling copies of the news release issued on Friday by the Urban Transit Authority of British Columbia.

For the information of the honourable members, I wish to share with the House a telegram received this week by both the Urban Transit Authority of British Columbia and UTDC. It reads as follows:

"On behalf of the executive and the members of the Canadian Urban Transit Association, may I extend our best wishes to the UTA, UTDC and GVRD on signing this important contract. This fine example of co-operation between all levels of government will no doubt result in an excellent transit service for the residents of Vancouver and will significantly stimulate the Canadian transit manufacturing industry."

It is signed by Al Cormier, executive director of the Canadian Urban Transit Association.

## ORAL QUESTIONS

### TAX INCREASES

**Mr. Smith:** Mr. Speaker, I want to direct a question to the Treasurer. In view of the fact that Premier Lougheed has now turned down the taps on oil a little more, causing all of us in Canada to have to pay more because of the higher proportion of imports, did it bother the Treasurer at all when he woke up this morning and realized that, as Mr. Lougheed turned down the taps, Ontario was now going to gain at the expense of Ontario's citizens by profiteering on Mr. Lougheed's decision to the tune of \$13.4 million annually in additional taxes, because of the Treasurer's new ad valorem tax?

**Hon. F. S. Miller:** Mr. Speaker, to begin with, I am pleased the Leader of the Opposition recognizes I did wake up this morning. There have been many days he has not even gone that far in his questions to me.

Of course I am concerned, but we made a conscious decision. With the inflationary era on us and the growing needs for revenue from a number of sources, we have chosen the ad valorem route as have all other provinces except Nova Scotia. I would like to think the increase we heard might go into effect today was of a short-term nature, because I heard at the same time that on June 10 Messrs. Lalonde and, I assume, Leitch of Alberta will be discussing in great detail the final solution to that problem. It is a negotiating stance taken by Alberta to hasten the solution of a final agreement between Ottawa and Alberta. I am sure all of us here will be delighted to see a proper solution at the political level.

**Mr. Smith:** Speaking of the ad valorem tax, in medicine we also used to turn to Latin whenever we did not want the people to understand what we were talking about. Speaking of—

**Hon. Mr. Davis:** You still do that.

**Mr. Smith:** No. Now I can succeed in having them not understand me even when I speak in English; so I have managed to solve that problem.

Speaking again of the ad valorem tax, does the Treasurer not recognize that this iniquitous tax now has made it morally indefensible for him to be claiming on the one hand to be against the actions of Peter Lougheed, while on the other hand his government coolly pockets \$13.4 million on an annualized basis every single time Mr. Lougheed either raises the price or turns down the taps? Has he not given up total moral authority in this regard?

**Hon. F. S. Miller:** In rejoinder, I say mea non culpa. I had four years of Latin, but that is about all I remember.

I do not know what kind of idea is in the Leader of the Opposition's head when he assumes a government pockets revenue indiscriminately from the people from whom it raises it. The fact is that I still have—and he criticizes me very often for having it—a cash requirement of \$997 million this year. We will be using every cent from all available tax sources for the benefit of the citizens of Ontario. Should those tax sources increase, we will find we are able to reduce others.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Are we to take it that the advice of Ontario to the federal government in the forthcoming negotiations with Alberta will be that Ottawa can agree to any increase from Alberta, because now Ontario stands to benefit from the increases in the price of gasoline?



**Hon. F. S. Miller:** That is a bit preposterous, Mr. Speaker. I pointed out the order of magnitude. Ontario, by next year, will be spending about \$12 billion for energy in the form of petroleum and gas. Our total revenues from the gasoline taxes—this is only on distilled products for transportation purposes—will be far less than \$1 billion.

**Mr. Peterson:** Supplementary, Mr. Speaker: Can the Treasurer explain how he could walk out of this House and tell the Globe and Mail that the ad valorem tax is not inflationary, yet come in here now and say we are in an "inflationary era" and he is attempting to profit therefrom? His own officials admit it is inflationary.

How can one who espouses fiscal discipline and integrity conscientiously profit from this very inflationary tax and a number of other externally imposed increases that are going to swell government coffers at the expense of the taxpayers? How can he possibly do that?

2:20 p.m.

**Hon. F. S. Miller:** Mr. Speaker, this gentleman attacks me day after day on the basis of my cash requirements. I cannot be swelling coffers and still have a cash requirement. I assure the honourable member that the difference in the gross take affected by that ad valorem tax is in no way doing that, and the member knows it.

#### SOUTH CAYUGA WASTE MANAGEMENT SITE

**Mr. Smith:** Mr. Speaker, I will ask a question of the Minister of the Environment related to the statement he just made concerning the matter of South Cayuga and the Ontario Waste Management Corporation. It appears the first preliminary meeting of the folks down there with the hearing officer turned into something of a shambles inasmuch as the officer did not know the answers to the questions being asked.

Since it would appear from the information given there that the time line for hearings will be such that the public hearings will not start until the spring of 1982, a year and a half after the then Minister of the Environment (Mr. Parrott) announced that, because of a time constraint, there could not be proper hearings under the Environmental Assessment Act, can the minister explain why it is necessary to go through this preposterous farce and take all this time to get the hearings going when, if this were to be the time line, they could easily have been held under the Environmental Assessment Act itself?

**Hon. Mr. Norton:** Mr. Speaker, as I understand it, the purpose of the initial meeting to which the honourable member refers was for the hearing panel to consult with local residents to develop some guidelines for the hearings that would follow. The intention was not necessarily to answer all questions. In fact, the purpose of the hearing was to define some of the questions they would want answered, for example, with respect to procedure.

There is no question the hearing panel will be able to subpoena witnesses and swear them under oath. There is no question it will, if it chooses, have authority to permit cross-examination. But as I understand it, one of the purposes of that hearing was to learn from the residents what their concerns were and the kind of input they would like to make in terms of establishing those guidelines for subsequent hearings.

I would indicate that, from what I heard from one of the parties present at the meeting, the description in the media exaggerated the circumstances at the meeting considerably, and in fact some of the answers given by individuals there resulted in only partial quotations in the stories, leading to the impression that the answer was left hanging in the air.

I think that time and perhaps further consultation will sort out that confusion. I think a significant amount of the confusion was in the press as opposed to at the meeting.

In terms of the time frame, the news report I saw quoted the solicitor for some of the residents in the area as saying the time frame was as the Leader of the Opposition described it. That is clearly not the time frame within which we are working.

I expect the public hearings to begin in the relatively near future as soon as the panel is able to establish procedures acceptable to residents and the panel, and as soon as the corporation has completed its groundwork and is ready to go before the hearing panel to present its case.

**Mr. Smith:** The corporation apparently will not be able to submit its full proposal to the panel until it receives the hydrological report from Gartner Lee Associates. That apparently will not be completed until December. Then it will be the spring of 1982, after they have received the proposal and a list of matters at a prehearing meeting. Then they have to receive notice that the corporation can go. They will issue a notice and then have the meeting.

The spring of 1982 is likely to be when those meetings are going to get under way. Given that



this will be a year and a half after the then minister's original announcement, does the minister not agree that the matter could have been handled by the environmental assessment route?

Secondly, is the minister familiar with this map of South Cayuga, dated December 1977, in which a large area in South Cayuga is drawn out very clearly and marked "Waste management: Minister of Environment preferred waste disposal zone"? Since the Ministry of the Environment apparently had this in mind for some four years at least, was it not just a farce to go ahead with the MacLaren report at a cost of more than \$400,000, pretending to be looking at other sites and having other interests in mind?

**Hon. Mr. Norton:** Perhaps I could respond to the latter part of that question first. No, I have not seen the map. I do not know which map the honourable member is referring to.

The first part of his question related to the timing of the completion of the hydrological studies. Certainly according to my most recent communication from the board, that is not the time frame within which they expected to have their reports. At that point they expected them considerably earlier; they expected that the hearings would begin not later than early fall. Unless there has been some change in that which has not been communicated to me, then I am still labouring under the impression that that is the time frame in which they are working.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Is the minister not aware that it is only in the last month or so that the Ontario Waste Management Corporation has undertaken with Gartner Lee Associates Limited to have a study on the hydrological suitability of the South Cayuga site, that this study will not even focus on one particular area but will look at a whole 12,000-acre area as the area within which the waste disposal facility might be placed, and that it is a two-phase study which is not expected to be completed until December 1981?

If hearings could begin before then, can the minister kindly explain to the House how citizens or anyone else—the municipalities that are opposed or other interested parties—can conceivably comment on what is going to happen there if they do not know whether the site is suitable and if they do not know where the facility is going to be located within a 12,000-acre area?

Given that, does the minister not agree that he has failed to speed up the process, as his predecessor promised to do some months ago, and that he has succeeded only in undermining respect for environmental law in Ontario?

**Hon. Mr. Norton:** Mr. Speaker, I think the honourable member ought not to be misled by the breadth of the area that is being examined. As I understand it, the consulting firm involved is a firm of considerable experience and integrity in the field, and it recommended that a much broader area should be examined from a hydrological point of view to ensure that the study was not so narrowly focused that some geological formation might be overlooked in the process.

In fact, I understand that in some instances they have recommended going right back to the headwaters of some of the streams feeding into that area and beginning to cover as wide an area as that. I think that is only indicative of the extreme care and caution with which the matters relating to the safety of this site are being approached.

**Mr. Smith:** Can the minister confirm whether interveners will have funds provided for them at the hearings, whether those who wish to call people to intervene on behalf of local citizens and citizens' groups will have any funds provided so they can mount a proper case at this hearing?

**Hon. Mr. Norton:** No, it is not intended that citizens' groups be directly funded for that purpose. However, it is intended that the hearing panel will be able, upon request, to call expert witnesses who they feel might add to the completeness of the examination of the matter before it, and under those circumstances the hearing panel will be in a position to provide for payment for covering the presence of those people. That burden will not necessarily have to be borne by the citizens' groups. I will recommend that this be the approach the groups take.

2:30 p.m.

## INTEREST RATES

**Mr. Cassidy:** Mr. Speaker, I have a question for the Minister of Agriculture and Food with respect to the impact of interest rates on farmers across the province.

The minister may remember that three weeks ago I raised with him the question of Mr. Henry Friesen, a farmer in the Mildmay area of Bruce county, and he said he would look into it if I sent the information over to him. The minister, having promised to do something, has sent me a letter back telling us what we already knew, that Mr. Friesen is facing bankruptcy because of the situation with the high interest rates.

Since he would not say it in his letter, will the



minister now say what action he and the government are prepared to take to protect people like Mr. Friesen and the hundreds of other farmers who are now threatened with bankruptcy or with having their farms sold out from underneath them because of the current financial situation?

**Hon. Mr. Henderson:** Mr. Speaker, this situation is exactly the same as many other farmers find themselves in. The high interest rates created by the government in Ottawa are causing financial problems not only in the farming community but also all across the province. This individual had additional problems, which I think I pointed out in my response to the member.

**Mr. Cassidy:** Last week the minister got up and said to this House that he was the minister who represented the farmers in the province. The minister has been asked on Thursday to come before a meeting of the Ontario Federation of Agriculture out at the airport strip, at which angry farmers will be asking whether in fact the ministry and the government do stand for farmers.

Is the government prepared now to bring in a moratorium on auctions such as the one Mr. Friesen is facing on June 12, and on bankruptcies of farm properties across the province until he has introduced and passed a policy that will protect farmers in the climate of high interest rates we have today?

**Hon. Mr. Henderson:** The honourable member knows full well that no government has that type of authority.

**Mr. Mancini:** Supplementary, Mr. Speaker: The Minister of Agriculture and Food for Ontario for quite some time now has continued in the line of saying that it is Ottawa's responsibility to help these farmers who are suffering under these crushing interest rates. How long is the minister going to be willing to sit back and watch farmer after farmer having to liquidate his assets before he finally assumes some responsibility in this matter?

**Hon. Mr. Henderson:** Mr. Speaker, the honourable member should know that the government in Ottawa has created the high interest rates, but apparently he does not know. He should also know that the interest rate is a small part of the problem these farmers are faced with. He knows the low price for the product is also part of the problem. But the interest rate is created by his government, his party in Ottawa.

**Mr. Cassidy:** In Quebec, the government is prepared to do at least twice as much in terms of providing access to low-interest loans to farmers in that province. Is the minister saying he has nothing at all to offer to Mr. Friesen and he has nothing at all to offer to farmers in this province who are faced with record-breaking interest rates and are faced with being driven out of business—dozens every week, hundreds every month at the rate things are going? Has he no answers at all? If so, how can he claim to be the minister who represents farmers in Ontario?

**Hon. Mr. Henderson:** Mr. Speaker, if the honourable member will look at the budget of the Ministry of Agriculture and Food, he will note that about two thirds of it goes in direct grants to help and assist the farmers with their problems.

Again I say, and I do not back away from it, the portion of the problem respecting high interest rates is a direct result of that party's action in Ottawa.

#### HOUSING CONTRACTS

**Mr. Cassidy:** Mr. Speaker, I have a new question of the Minister of Consumer and Commercial Relations, in the hope that if the minister of farmers does not represent farmers, then maybe this minister will, in fact, represent consumers. Is the minister now aware of the problems of people who have signed in good faith in order to buy homes at specified interest rates, who have subsequently sold their homes because they are about to move and they cannot afford to have two homes at one time, and who then are being told by the vendor that the interest rate on their mortgage will be raised by an extravagant amount? What action will the minister and the government take in order to stop the situation where these home purchasers are now undefended?

**Hon. Mr. Walker:** Mr. Speaker, yes, I am aware that is happening. In fact, there have been some stories in the media as recently as today that would indicate some in the situation. The fact is that contracts have it written in that people who are selling their properties can adjust the rates. One has to assume if it is in the contract then the capacity is there for the vendor to change the rate upwards, and if the purchaser does not realize that when he is signing it, given the fact that he is probably buying a \$60,000 or \$70,000 home, perhaps it behooves him to check with a lawyer in advance.

In fact, I think that is a rather good point.

Purchasers should make sure they check these matters out with a lawyer in advance of signing an offer to purchase, then they would see what they are in for. Actually, most of the offers to purchase have a very clear reference in them to the adjustments that can be made. I want to read one to the member. The reason I read this particular one is that it was mentioned in the newspaper today in talking about New Gulf Homes. There they have an offer to purchase and right up front, right under the spot where the person signs for the amount of money he is going to pay for the house, it says:

"The purchaser agrees to assume a first mortgage of about . . . with interest at the rate of . . . per cent per annum or at the vendor's option at the rate of interest prevailing 30 days prior to closing by the lending institution, maturing in approximately" so many years.

It seems to me that if that kind of clause is written into an offer to purchase then the logical and rational purchaser has to realize there may be an increase if he is signing for a lengthy period of time. That appears to be the situation in most cases.

**Mr. Cassidy:** I would like to raise with the minister the case of a Mr. and Mrs. Stephen Singh, who have also appeared in the press and who run the risk of losing their home because they signed at 11.875 per cent and now are facing a 14.75 per cent rate, despite a clause in their agreement to purchase which allowed for an upward revision of only one half of one per cent in the interest rate.

Does the minister not feel that where there was an agreement of purchase and sale it should be as binding on the vendor as it is on the purchaser, so that the vendor cannot find a way of weaseling out of a deal in the case of today's interest rates and putting the purchaser in the kind of situation that Mr. and Mrs. Singh have been put into? And does the minister not feel, since the government was prepared to come to the rescue of the people in the Canada Homes case a week or two ago, there should be legislation to stop this kind of double dealing on the part of people selling homes at the expense of people whose only desire is to have a simple roof over their heads?

**Hon. Mr. Walker:** Wait a minute. If people are prepared to sign contracts that have in them a clause that allows for that kind of variable interest rate then surely they must bear the consequences if it is, in fact, varied. If they do not want to sign that kind of contract then they should be looking for a different home. In the

case raised by the leader of the third party of Mr. and Mrs. Stephen Singh, who purchased their home from Blue Aspen Limited, the story in the newspaper the other day—from which I take it the question arises—made reference to the fact that they did not know the contract could be legally changed. If they did not know it could be legally changed, surely there is some responsibility on their part to make sure prior to signing for such an overwhelming amount of money, such an overwhelming purchase price, as to whether there can be variations in the rate. In the Singh case, they simply did not realize there was a variation.

Perhaps they should have read the contract, and if they could not understand the contract, if there are several pages of relatively closely written material, they should have consulted a lawyer.

Indeed, the article in the newspaper said, "Before he signed the agreement to purchase, he did not consult a lawyer who could have pointed out the clause which says the interest rate can be changed without notice." He should have looked at it.

**2:40 p.m.**

Any lawyer will offer a very good opinion on these matters if people will simply turn the agreement of purchase over to them before they sign the contract. There is no reason they have to sit there and sign right in the entrance room of the vendor's selling establishment. They should take it to their lawyer and have him check it over. After all, it is probably the biggest purchase they will make in their lives, so why would they ever think of doing it without having a lawyer check it over first.

**Mr. Smith:** Supplementary, Mr. Speaker: I appreciate hearing this commercial for the legal profession, but given that people usually go to lawyers upon the closing of the deal—and it costs them a pretty penny, I may say, for something the legal secretaries usually handle, but leaving that aside—

Interjections.

**Mr. Smith:** We can see how many lawyers there are over there. Listen to that.

Would the minister not agree that rather than tell people they must get legal advice twice when they buy homes—once when they sign an offer to purchase and once upon closing—it would be a lot better for the government, instead of taking the typical Conservative attitude which says "Let the buyer beware," to take the consumer protection attitude which says



that all these agreements should be in plain English, should be logical, should be obvious and readable and that if any figure is mentioned it should be as binding upon one side as upon the other, unless it is clearly and in the same size type right then and there with equal prominence stated that this figure is not binding upon the vendor?

This sort of situation where the vendor can sneak out of a deal afterwards by pleading that the print and so on really was in his favour is simply unfair to the average person who may not understand all this. Rather than sending them all to lawyers, why does the government simply not have a standard contract which protects the purchasers of homes in Ontario?

**Hon. Mr. Walker:** First of all, Mr. Speaker, let me say my suspicion is that the member for Ottawa East (Mr. Roy) will string the leader of the Liberal Party up by his toes when he finds out what he has said.

Interjections.

**Hon. Mr. Walker:** The next time he is in this House he will do that. I am sure he is going to be in this week.

The second thing is, the clause I read was about as clear as one could ever get and even a psychiatrist could understand it. Indeed, if I may make a commercial, I would think anyone would have to be crazy to sign an agreement to purchase without having taken the care to check out what they are signing. Surely even the Leader of the Opposition or anyone would read it over first.

The third thing I would mention on behalf of the lawyers in this community is that most lawyers would willingly receive the agreement to purchase in advance of its being signed to look at it and offer some opinions. I certainly did that when I practised in this area of law. In fact, to my knowledge all the lawyers in London gave this kind of service as a free portion, or at least it was included in the price of handling the purchase.

It was traditional that the fee which was basically established by the local associations would include within it the cost of reviewing the offer to purchase prior to signing it. After all, it is the biggest deal most of these people are ever going to get into, so why would they not take this kind of contract to their lawyer. He probably would not charge them a penny to look at it and tell them whether it has some of these funny clauses in it.

**Mr. Cassidy:** Mr. Speaker, I take it the minister's main concern is not the protection of consumers, but the enhancement of the income of lawyers.

**Hon. Mr. Davis:** Oh now, that's not nice.

**Mr. Cassidy:** The Premier has not been practising for a long time and does not know how tough it is in the profession. His minister obviously does.

If I could read to the minister the apparently operative clause from the Blue Aspen agreement which Mr. and Mrs. Stephen Singh suffered from, it says that if the vendor cannot arrange a mortgage at the price that was agreed to, the purchaser "agrees to accept such mortgage upon such terms and at such interest rate as the vendor is able to arrange, provided that the interest rate to be paid under such first mortgage shall not exceed the interest rate as shown above by more than one half per cent per annum." That sounds fairly clear and it would seem to me any prudent purchaser would feel he had been protected by that.

I have spent some time reading through the fine print and I cannot find in the contract the open loophole the minister talks about. Before we get caught up in all this legalese, would the minister not agree to have his ministry prepare a short form or summary of house purchase and sale which would specifically lay out what the mortgage conditions are that are being agreed to and what loopholes, if any, may happen to exist, before we see more and more families led down the primrose path the way the Blue Aspen people happened to be?

**Hon. Mr. Walker:** Mr. Speaker, I will accept that idea. We have been talking with the builders. We found all the ones we have been speaking with prepared to co-operate. I remind the member that just three weeks ago he brought to the attention of the House the matter involving Canada Homes, which was resolved half an hour later. The member has brought another matter to our attention. At the moment, those people are talking with their builder and there is some discussion. The last report I had Thursday afternoon was that those people were discussing the Mississauga matter—the member should not shake his head, because that was the situation when we checked with the builder and the purchaser at that time.

I may say we have had a lot of co-operation from the builders in trying to achieve this. I like the idea the member is suggesting, that we come up with some draft clause that might be appro-

priate for this situation. That is one thing we can do. Fortunately, the offers to purchase are relatively straightforward. I know the member would understand virtually every clause in most offers to purchase. There may be confusion on some of them but that is something we can attend to with the builders and straighten out. We have had nothing but co-operation from them so far in trying to straighten out the matter.

### TAX INCREASES

**Mr. Peterson:** Mr. Speaker, I want to ask a question of the Treasurer. In view of the fact there are a number of expenditures in the budget that could have been cut, at least in our judgement, to bring the net cash requirements further into better balance, in view of the fact the ad valorem tax is inflationary—I do not know whether the Treasurer admits it but everybody else recognizes it is inflationary—in view of the fact the overwhelming critical opinion of that tax has been negative, in view of the fact there is a great deal of outrage from deceived voters in this province after the election and the imposition of that tax, and in view of the fact there is a precedent for a Treasurer withdrawing a tax after its imposition in the budget without losing his job, why does the Treasurer not withdraw that ad valorem tax from that budget?

**Hon. F. S. Miller:** Mr. Speaker, I do not intend to. The member will have an opportunity to debate it, perhaps today. It may be either tonight or Friday morning.

In those “in view of the facts,” the member had an interesting one which intrigued me. All the things I have heard from his side of the House tell me I should be spending a great deal more money. I would dearly love to know where he would have made the savings. I would dearly like to see what other government in this country, outside of Prince Edward Island, came in with as low a year-over-year increase as this province did. It was 12.2 per cent in spending. That may sound like a lot to the member but with inflation already predicted to be 12.1 per cent and running at a higher rate, that is by any government standard an outstanding job of cost control.

**Mr. Peterson:** If the Treasurer had been here for more than one out of the four days after the budget to defend it, he would have heard some of our ideas about where expenditures could

have been cut. That is a reality. He was so embarrassed about it he disappeared and would not show up.

**2:50 p.m.**

What I want to ask is, has the Treasurer given up the battle on inflation? He always heralds himself and the government as the great defenders of the consumers and taxpayers of this country against inflation. Has he given up now and is he resigned to just profiteering? Is that now his official government stance?

**Hon. F. S. Miller:** No, Mr. Speaker, I would like to repeat one more thing. First, I think the member will recall the whole question period on the day after the—

**Mr. Peterson:** One day and then you disappeared for three and did not show up for the responses.

**Hon. F. S. Miller:** I was in Thunder Bay allowing people in the balance of the province also to see some of the effects of my budget. I think that is a good thing to do.

**Mr. Peterson:** That is nonsense. The week after the budget you should have been here to defend it.

**Hon. F. S. Miller:** I had an opportunity to read the member's nice comments about me and I realize he thinks I am the best person around, the most competent and, therefore, the one to be trusted. It is certainly reassuring to read all that in his comments, and his comments on my friend the Minister of Education (Miss Stephenson) as well, who sat and listened to his material. But given all that, I am satisfied that this government has done very well in terms of cost control. I point out to the member that our total debt, which he likes to use day after day—

**Hon Mr. Davis:** For his own purposes.

**Hon. F. S. Miller:** —is less today in terms of our revenue, half as much today as it was in the days of Leslie Frost and half as much as today's debt of the federal Liberal government.

**Mr. Peterson:** That doesn't cut any ice with me.

### OHIP PREMIUMS

**Mr. McClellan:** Mr. Speaker, I have a new question for the Treasurer. Does the minister recall his compassionate words on page 20 of his budget where he says the premium assistance system under the Ontario health insurance plan “will be enriched to ensure that the increase in premiums”—of 15 per cent—“will not impose any financial burden on those least able to afford them”?



Is it not a fact that as of October 1980 only about a fraction of one per cent of those who were eligible for partial premium assistance were actually getting it—8,174 subscribers to be precise? Is it not a fact that he does not have the slightest intention of making sure the premium assistance subsidy goes to even a bare majority of low income wage earners who are theoretically entitled to it? If I am wrong, will he please tell us how he intends to make this totally inoperative system work?

**Hon. F. S. Miller:** Mr. Speaker, the member is using facts that may or may not be correct from his point of view. It is true that a very small percentage of people—

**Mr. McClellan:** If I am wrong, tell me I am wrong and how I am wrong.

**Hon. F. S. Miller:** Would you like to listen now?

It is true that a very small percentage of people are on partial premium assistance. Whether the member's number is exact or not I cannot say without checking my records, because I do not have it by memory in my head. We have encouraged and will continue to encourage people who believe they are eligible for partial premium assistance to apply for it. We raised the levels of salary below which one is entitled to have it. We are encouraging people to make sure they are aware of it.

The member and I, as working constituency politicians, very often can be the very people who help someone become aware of that. That is part of our job. There are enough government programs which he and I may know about, but the average guy in the street does not. One can advertise them for a long time and many people will not know. All of us do that kind of thing day after day among the many other ways of helping constituents.

Finally, I point out that we made some predictions as to how many should be in that category. It is very difficult to be sure they are paying premiums and that is the conclusion the member has jumped to. In many instances, I believe he will find that one way or another people we believe should be eligible for partial assistance are having their premiums paid by someone else or some other member of the family.

**Mr. McClellan:** The Treasurer has conceded that the takeup rate for partial premium assistance is just totally inadequate, and I think it is less one per cent. I suspect, and I am asking the Treasurer if he agrees, that even the takeup rate

for full premium assistance still seems to be something around a third of those who are eligible. Surely that indicates to the Treasurer that the program is not working? The course of wisdom is to do what was recommended by the select committee in 1978 and what was put forward as a proposal in the 1979 budget by the Treasurer himself, and that is to replace the premium assistance program as quickly as is physically possible with a tax credit program to make sure that all low income wage earners who are entitled to relief from regressive premiums actually get it.

**Hon. F. S. Miller:** It is not that simple, and I am sure the member knows that. What we did say in the budget is that this year we would very much like to have stated reactions from all those who have a vested interest in changing the OHIP premium system. I hear a great deal of noise from the New Democrats and the Liberals about it, but I do not hear a great deal of noise from the people of Ontario who, I believe, have been well served by the mixture of premium and tax-supported health care.

This year, health care got an increase of \$650 million in its spending. That is an increase of about 14.6 per cent. The increase in OHIP premiums was 15 per cent. The premiums pay about \$1.2 billion to \$1.3 billion of a total of \$5.6 billion. The balance is already on a progressive tax system in this province and I believe the people of this province think it is good.

**Mr. Conway:** Supplementary, Mr. Speaker: Since the minister indicated in his first response to the member for Bellwoods that perhaps there was some dispute as to the exact figures for the rates of uptake for all levels of premium assistance, would the minister give us an undertaking here today to table at his earliest opportunity the most recent information available to him on the precise rates of uptake for both full and partial premium assistance?

**Hon. F. S. Miller:** Mr. Speaker, if the member is talking about percentages, I do not know if that is available. They are guesstimates as to the potential number of people who are eligible for that type of assistance. Those are guesstimates based upon what we believe to be earning profiles in the population. Many people have looked at them and said that the uptake is a low percentage of those who are potentially eligible to have premium assistance, but that may be overstated.

We have worried about that. We have never denied that we would like to get to those people

and we would like to see them taking the benefit of it. However, all our attempts to locate them have not shown many people out there who are either doing without OHIP coverage, which would be bad, or paying OHIP premiums unaware that they are eligible for assistance. We are simply suggesting there are other ways.

**Mr. Cassidy:** What attempts have been made to find them? They don't make any attempt to locate them, Mr. Speaker. All they do is advertise "Preserve it, conserve it." It is a secret. They have to fight to get the forms.

**Mr. Speaker:** Order.

**Hon. F. S. Miller:** Sure, we can give the member the figures—

Interjections.

**Mr. Speaker:** Order.

**Mr. Conway:** Just as a point of information, I want the Treasurer to know that my question is: Will he undertake to provide this House with the most recent data on how many people are taking advantage of full and partial premium assistance, expressed in both absolute and percentage terms?

**Hon. F. S. Miller:** I would be glad to reply to the reasonable question of my friend. The noise from the other side was such that I thought it better to sit down until it ceased. That is why I was sitting down. Yes, I will be glad to give the member any statistical information we have on that basis.

## ABORTIONS

**Mr. Sweeney:** Mr. Speaker, I have a question for the Minister of Health. Would the minister comment on the statement made two weeks ago by the outgoing president of the Ontario Medical Association, Dr. Robert MacMillan, that there has been an unacceptable increase in abortions in Ontario and that 90 per cent of the abortions approved have no medical basis?

**Hon. Mr. Timbrell:** Mr. Speaker, I think the member is paraphrasing a bit. Certainly the question of the number of abortions is something that should concern us all. My own view, as often stated, is that in the main abortions approved under the terms of the federal Criminal Code are evidence of a lack of family planning or family planning gone wrong. They are certainly an area of concern.

As I understand it, what Dr. MacMillan was saying is that there is a role for the medical profession to play to improve dealings with their patients in the future, whether it is through

better advice with respect to conception control and family planning or whatever, in order to remove the need, in some cases, to apply to therapeutic abortion committees.

**3 p.m.**

**Mr. Sweeney:** Given that Dr. MacMillan in his statement urged his own 14,000-plus colleagues to conduct an internal study as to whether or not the federal legislation is being followed according to its intent, and given the fact that the same federal legislation gives the minister the power to monitor the way in which the abortion committees in hospitals are operating, would the minister accept that responsibility given to him in the federal legislation and carry out some kind of monitoring mechanism?

According to Dr. MacMillan—who, I would have to assume, as the president of the medical association, knows something about what is going on—we have an unacceptably high number of abortions, in excess of 30,000 a year, in Ontario now. Surely the federal legislation cannot be functioning according to its intent.

**Hon. Mr. Timbrell:** Mr. Speaker, as you may recall, and as the member will recall, the federal department to which he makes reference did a study a few years ago that recommended, if anything, broadening the terms in the code, and it is my understanding that is the view of the present federal minister.

**Mr. Sweeney:** That is the minister's view?

**Hon. Mr. Timbrell:** The honourable member knows my views on the subject of abortion, which are rather conservative, aside from my politics. I think something more useful would come from some discussion at the national level about whether the federal government does intend to stand by or in some way amend the criteria, because we have no authority at the provincial government level to do anything about those criteria. That authority rests entirely at another level.

**Mr. Smith:** Supplementary, Mr. Speaker: Since the minister says, and I agree with him, that the number of abortions has risen to a high level largely because of a failure to make family planning techniques well understood and accepted, would he not feel—taking into account the evidence showing that areas where good family planning services are available to the public and school boards have good sex education programs actually have a lower rate of unwanted pregnancies—it is about time all school boards in Ontario had a sex education program as part



of their curriculum, and that family planning facilities be made available to the public in all parts of Ontario?

**Hon. Mr. Timbrell:** Mr. Speaker, for about the last five years we have funded 100 per cent of the costs of family planning programs through the municipal boards of health. To my knowledge every health unit now has a program. That is not to say it is as complete a program as it might be. I would be the first to acknowledge that in some cases the program exists in name only, and that there is still a lot of work to be done in encouraging the boards to overcome local hangups and get on with the job of promoting an enlightened and balanced family planning program.

With regard to the first point, officials in my ministry and officials in the Ministry of Education have been in discussion on the question of family planning programs and how they might be improved. I cannot say to the honourable member that one of the aspects is somehow to make whatever guidelines may come up from time to time compulsory. That has not formed part of our discussions, but I will be glad to take that under advisement.

#### BRUCE HYDRO LINE

**Mr. MacDonald:** I have a question of the Minister of the Environment. The minister will recall that his colleague the Minister of Energy (Mr. Welch) wrote a letter to Hydro on December 15 asking them to place on hold their plans for proceeding to environmental assessment of the second kilovolt line out of Bruce until the cabinet could decide on consolidated or joint hearings with regard to various statutes that have to be taken into account in reaching a decision about that line.

Do I conclude correctly that the Consolidated Hearings Act, 1981, which the minister noted in his earlier comments, is the cabinet's response, and that, therefore, that hold on Hydro will be lifted so they can proceed with plans for the second line out of Bruce?

**Hon. Mr. Norton:** Mr. Speaker, not being a party to the letter to which the honourable member refers, I cannot answer with certainty, but I would assume that this is the response of the government to that concern.

**Mr. MacDonald:** Since Hydro has indicated that for every day beyond 1983 that this line is not in place—and at this point it simply cannot be put in place by then—the cost will be \$1 million in losses because of the impossibility of

getting the power that will be available from Bruce out into the grid, can the minister give us some assurance that this act will be passed before the summer so that the delay will not be prolonged? I am not aware that it is on the Order Paper to be considered before the summer recess.

**Hon. Mr. Norton:** Mr. Speaker, it will be on the Order Paper before this day is out. Assuming we have the co-operation of all sides of the House, it certainly is my intention that the bill will be passed before the summer recess.

**Mr. J. A. Reed:** Supplementary, Mr. Speaker: Can the minister explain the apparent discrepancy in the situation as it prevailed prior to the announcement of this bill? How will a line now be put in place, considering that his predecessor said it would take three years to satisfy the terms of the Environmental Assessment Act, which Ontario Hydro now places every project under? He gave this as one of the reasons for exempting South Cayuga.

There is now a virtually immediate need for a line out of Bruce, and the minister has not given any directive to Ontario Hydro to proceed with the environmental assessment work.

**Hon. Mr. Norton:** Mr. Speaker, I am not in the situation, as I understand my authority, to give directives to Ontario Hydro in any event. I think the honourable member's question might better be directed to the Minister of Energy.

I can assure the member that this legislation is proceeding and that it ought to have the effect of substantially reducing the time that otherwise might be required by multiple hearings on transmission lines coming out of Bruce. Surely he has to recognize that the whole purpose of this legislation is to expedite and to streamline the process, not to delay it.

I cannot predict how long the hearings might take. That is not up to me. I do not establish time frames for the hearings. That really depends upon the length of time required by any of the bodies that might be holding hearings, as determined by them.

#### FREEDOM OF INFORMATION

**Mr. Bradley:** I have a question of the Minister without Portfolio in charge of freedom of information, Mr. Speaker.

There was great expectation that there might be a freedom of information bill forthcoming in the last parliament, and there has been a good deal of discussion about this in the media and certainly among members of this Legislature.

Will the minister give an undertaking to this House that after all of this input a discussion paper will be produced by the government by the end of this session so it will be available for members of the Legislature and the public?

Is there a possibility there might also be, as part of that discussion paper, a draft bill which could be commented upon by all of those interested?

**Hon. Mr. Sterling:** Mr. Speaker, it is most appropriate that I should be asked my first question as a minister of the crown today, because I note in the members' gallery my Liberal opponent from the last election. I want to welcome Mr. Paul Raina here today.

**Mr. Smith:** He will return the favour.

**Hon. Mr. Sterling:** I want to invite the Leader of the Opposition to my riding again the next time if it will have the same results in the next election in 1985.

Interjections.

**Mr. Speaker:** Order. Will the minister answer the question, please?

**Hon. Mr. Sterling:** Mr. Speaker, the freedom of information question is indeed a very complex one.

Interjections.

**Hon. Mr. Sterling:** Mr. Speaker, if I can continue: I hope I will be able to produce a paper within the next four or five months to outline our position in regard to the intended proposals in terms of legislation and ideas about freedom of information, and of course privacy, which goes hand in hand with it. I hope, in terms of setting up the process, it will be in place at this point in time to carry through to the ultimate end of having legislation before this House.

**3:10 p.m.**

**Mr. Bradley:** Can the minister assure the House that his reluctance to produce this discussion paper and the draft bill in this particular session, or at least before the end of June, has nothing to do with the fact that in other provinces and other jurisdictions where a freedom of information bill exists it could be used to glean the kind of information that the justice committee has been attempting to get on the Re-Mor and Astra Trust situation without success because of blocking by government members? Is the minister afraid that by expediting this particular matter the government perhaps would be forced to reveal information that it intends to keep secret through the use of its members on the committee?

**Hon. Mr. Sterling:** There is no reluctance on my part to produce the paper before the end of June. I think it would be extremely unfair to do so with the present knowledge I have so far acquired on this particular subject.

It may be of interest to the member for St. Catharines that if we had Bill C-43, which is the present federal legislation, in front of us and were controlled by the rules in that particular legislation, we would not have had about one half of the information we had in the January sittings on the Re-Mor matter.

In dealing with freedom of information, I want to be as fair as possible, and I therefore ask for a little bit more time to produce what I consider a quality piece of work.

**Mr. Renwick:** Supplementary, Mr. Speaker: Is the reason for the delay really the difficulty the minister has had in extracting the information from his colleague the former Minister without Portfolio and now the Minister of Natural Resources (Mr. Pope)? Will he confirm to this House that he now has extracted the information from his colleague and has it available for study, or is this a matter on which the Premier (Mr. Davis) should intervene in order that he be provided with the material?

**Hon. Mr. Sterling:** Mr. Speaker, I have had no difficulty getting files from the former minister.

## TORONTO ISLAND HOMES

**Mr. R. F. Johnston:** I have a question for the Premier, Mr. Speaker, in regard to the Toronto Island residents. It has been two and a half months since the election and there is less than a month now before eviction notices are again due for the Toronto Island residents. Will the Premier inform the House today, in the absence of the minister, when we will be seeing legislation to preserve the island community?

**Hon. Mr. Davis:** Mr. Speaker, in the absence of which minister? If he means the Minister of Industry and Tourism (Mr. Grossman), my recollection is that his commitment to the solution of the problem really has been far more apparent for a prolonged period of time than that of the member for Scarborough West. I think the House can rest assured that there will be a form of solution so that the writs of possession that may come into being at the end of June will not do so.

**Mr. R. F. Johnston:** Some would say the leaking of a certain document may have done more to speed up the process than anything previously, but it always seems we are leaving



this to the last minute. It is always a cliffhanging kind of situation for the islanders, which is totally unfair.

Can the Premier assure us that the principles of the Swadron commission will be introduced, that we will have a chance for full examination of that legislation, and that no evictions will take place before we are finished with the legislation in due time?

**Hon. Mr. Davis:** I think the government has made it very clear that there will be no evictions. What I cannot guarantee is just how much we will get done before the present spring session adjourns. I could ask the member for Scarborough West to help all of us by prevailing upon his colleagues not to limit in any way their participation and discussion on some of the tax bills—which are practically in place and people are paying the taxes—but to limit the number of votes on what has been indicated will be a very lengthy discussion. We might then get on with some of this other legislation.

## INTRODUCTION OF BILLS

### CONSOLIDATED HEARINGS ACT

Hon. Mr. Norton moved, seconded by Hon. Mr. Snow, first reading of Bill 89, An Act to provide for the Consolidation of Hearings under certain Acts of the Legislature.

Motion agreed to.

### ONTARIO WASTE MANAGEMENT CORPORATION ACT

Hon. Mr. Norton moved, seconded by Hon. Mr. Snow, first reading of Bill 90, An Act to establish the Ontario Waste Management Corporation.

Motion agreed to.

### MUNICIPAL AMENDMENT ACT

Mr. Breaugh moved, seconded by Mr. Swart, first reading of Bill 91, An Act to amend the Municipal Act.

Motion agreed to.

**Mr. Breaugh:** Mr. Speaker, the purpose of this bill is to authorize municipalities to provide retired employees with a range of benefits including health insurance, nursing and dental services and accident and sickness insurance. This has been a problem in several municipalities where the Municipal Act itself is not clear on the matter. Some municipalities have negotiated these benefits with their employees. Others

remain firm in their legal opinion that the Municipal Act should be clarified, and that is the purpose of this bill.

**Hon. Mr. Gregory:** Mr. Speaker, before you call the orders of the day: The House leaders of the three parties have agreed that the time for debate on this next item will be divided three ways. We wish to request the clerks to keep time.

## ORDERS OF THE DAY

### OHIP PREMIUMS

Mr. Cassidy moved, seconded by Mr. Martel, motion 11 under standing order 63(a):

That this House: condemns the decision of the government to ignore the recommendations of the Hall commission on health care to eliminate health premiums and substitute a more progressive system of taxation; condemns the government for its outrageous decision to raise OHIP premiums by 15 per cent and maintain health premiums at the highest level in Canada; condemns the government for making the overall burden of personal taxes in Ontario including health premiums the highest of any province for families on modest income; condemns the government for forcing families to pay \$552 a year for medicare and then blocking access to universal medicare by means of user fees on health facilities and tolerating extra billing by opted-out doctors; and for all these reasons this House no longer has confidence in the government.

3:20 p.m.

**Mr. Cassidy:** Mr. Speaker, the budget we had two weeks ago was unfair and regressive. Its most objectionable feature is the \$72 increase in health premiums, a tax so regressive it will cost the same to a family earning \$15,000 a year as it will to a family where the annual income is \$150,000. It is a cynical move from a cynical government which has lost no time in displaying how easily and quickly it can be corrupted by having the power a majority gives it.

You may recall that on February 2, when the Premier (Mr. Davis) launched his campaign, he made the unequivocal statement that the government was seeking a mandate to combat inflation through more efficient government, avoiding tax increases, supporting those on fixed incomes, et cetera.

There is a 1984 quality about what this government was doing in that campaign, because there is a capacity for Newspeak worthy of George Orwell himself. Far from avoiding tax

increases, the increases for individuals in the budget, including Ontario health insurance plan premiums, are the worst we have had in 10 or 15 years. The OHIP premiums have now been singled out to be increased as a kind of annual event, the way the government used to increase the tobacco and liquor taxes almost every year before going to the ad valorem tax in this budget.

Now that it has a majority, the government has come through with a budget that is grossly unfair, because it will take \$600 million from individuals while not taking a penny more from corporations. That is not fair. That is inequitable. Those may be Tory priorities, but they are not NDP priorities and they should not be the priorities for the people of Ontario.

How can anyone defend a budget where the levels of tax are the highest of any province in Canada for people earning \$15,000 a year, \$20,000 a year and \$25,000 a year and where the provincial tax rate, when the OHIP premiums are included, is actually a higher proportion of the federal basic tax for people earning \$15,000 a year than it is for people earning \$25,000 a year?

The government tries to claim the tax rate is 44 per cent, and now 48 per cent, of the federal basic tax rate. In fact, at \$15,000 it is going to be 80 per cent of the federal basic tax, and at \$25,000 it will be 65 per cent.

Where else has there been a government that taxes more the less one makes, except in this regressive Conservative province of Ontario? The government is being purely and simply cynical, because it came back to power promising to avoid tax increases and then hit everybody between the eyes.

It is quite clear the plan is that in two and a half years or three years there will come a sunshine budget and suddenly, with the 1985 election around the corner, there will be tax rebates, sales tax cuts and all sorts of wonderful, splendid things to dangle in front of the people of the province once again. It will be giveaways once again. We get a giveaway once every four years when the Tories have a majority. We do not get good fiscal policy.

We in the New Democratic Party have been committed for a long time to eliminating health premiums because they are an unfair and regressive tax and because we believe health care should be paid on the basis of people's ability to pay.

We have been opposed to premiums because we do not think they are an appropriate vehicle

for financing health. We have urged again and again that the process of eliminating premiums, which will take two or three years, should be undertaken now.

If the government had taken the advice of the majority of the select committee on health-care financing and costs in 1978, that health premiums should be phased out over the next three or four years, we could be quit of premiums today the way seven other provinces in Canada are now quit of them.

Why does Ontario have to be so backward under the Conservative government? We are the only province to have such a high level of health premiums. The government cannot say it is impossible. Seven other provinces have done it, and we can do it too.

There is an unerring urge to hit people in this province with modest incomes. The select committee demonstrated that only one third of the families entitled to premium assistance actually got it. Did the government go out and try to make sure they found out what their rights were? One had to fight tooth and nail just to get the forms for premium assistance, despite what the Treasurer (Mr. F. S. Miller) seems to believe.

The select committee recommended that we move to a tax credit system to benefit more equitably people on low incomes who have to pay the premiums. That advice was unanimously offered and has been totally ignored by the government. Far from showing any regrets at the use of OHIP premiums as a means of taking taxation powers out of the Legislature, the government has taken to the idea of using OHIP with glee.

In 1978, they tried to raise the premiums by 37.5 per cent and had to be rolled back by the combined force of the opposition parties. A year or two later they raised the premiums by 5.5 per cent. Now they have been raised by 15 per cent, and God knows what the government wants to raise them by next year and the year after that.

I predict the day will not be long hence if this no-confidence motion is not passed that the Conservatives will try to soak people across the province for more than \$1,000 a year in health premiums. I say that has to stop and it has to stop now. We have to charge for health care on the basis of people's ability to pay, and not on the basis of this backward tax that the Conservatives want to put forward.

The Treasurer was saying that some members think premiums are not an appropriate financ-



ing vehicle. Let it be recorded for the Treasurer, who is not here now, that every New Democrat believes that premiums are inappropriate and should be brought to an end.

The budget says premiums are being increased because their contribution to the cost of insured health services has fallen over the last couple of years. I say that the contribution made by the premiums should continue to fall until it is no contribution, because we should pay for health care on the basis of people's ability to pay.

The argument is so hard to fathom, because premiums are an insensitive way of financing health. They do not bear any relation to how much health care one uses. Many people who are major users of health services are exempt from premiums for various reasons. Senior citizens, for example, are exempted in Ontario and do not have to pay health premiums. The premiums do not relate either to one's ability to pay or to how much health service one may happen to use. They are neither a deterrent or an equitable form of tax. What they are is a regressive tax which should be gone.

The government says that since 70 per cent of the premiums are paid in group health plans they are therefore somewhat more tolerable. The answer to that is that 80 or 90 per cent of people's income taxes in Ontario are paid through deductions from the employer. But that does not mean people are not aware of the fact that they are paying the tax. It simply means they pay every week or every month, rather than paying at the end of the year. They pay every month for their OHIP premiums in the same way, but that certainly does not make them a better tax than income tax, and in many ways they are a worse tax.

I suggest that the cynicism and the lack of vision of this government shows up in its failure to make sure that the people who are being asked to pay more in health premiums get what OHIP was meant to provide. The fact is that people will be paying more for OHIP and getting less, because they will continue to have to pay user fees for chronic care.

My friend the member for Sudbury East (Mr. Martel) cited the case of a constituent in his riding with an income of \$16,000 a year who had to pay \$4,000 or \$5,000 chronic care user fees on behalf of his wife who was in hospital. There was no way that constituent could avoid that particular charge.

I met with a constituent in my riding on Friday who lost most of her eyesight a year ago through some tragic circumstances for which

she felt the doctor was responsible. She has had to see 15 or 16 doctors over the course of the last year in an effort to try to get her sight back. Almost every one of those specialists has been opted out; so not only has she faced the loss of her job and her livelihood but also every time she goes to a doctor to try to get her sight back she has to pay 40 per cent extra because the doctors are opted out.

Are we getting better health care? Ask people who cannot get into hospital because the beds have been shut down. Are we getting better health care? Ask people in Thunder Bay who have to wait for months to get elective surgery because of the waiting list. Or ask people in the Windsor hospital where they are stacked up on stretchers in the emergency wards because there are not enough beds to look after legitimate health needs.

Are we getting enough health care? Ask people who have been trying to expand community clinics, like the clinic in my riding, in Dalhousie, who having been finding that there is no funding and no encouragement for this improved kind of health care because the government does not appear to believe in it.

**3:30 p.m.**

Are we getting better health care? The one group that probably thinks so and will pay this health premium with pleasure is the doctors of the province, because they got a 14.75 per cent increase that will raise the net income of specialists to more than \$100,000 a year—an increase of \$12,000 for the average physician, according to the Weiler report; an increase in income in one year that equals the income of many people who are being asked to pay \$36 to \$72 extra to get their health care.

It is very clear that people are being asked to pay more to get less. Those are the priorities of this government.

Let me look at the unfairness of the budget once again. Back in 1975, personal income tax brought in just over \$1.5 billion in Ontario and corporation taxes amounted to \$1.2 billion. They were almost the same in terms of revenue just six years ago. In the current year, personal taxes will go up to \$4.4 billion and the corporation taxes will have gone up to \$2.1 billion.

In other words, where they were almost equal six years ago, now the personal income tax is double the corporation income tax. That is in just six short years under this government.

Despite their record profits, the corporate contribution to Ontario's revenues have gone up by 75 per cent in six years, whereas income taxes are up by 175 per cent.

Does it change a lot if we add in the premiums and sales tax revenues and the other things individuals have to pay? If we look at that, we will see that personal tax revenues have gone up from \$3.4 billion to \$8.4 billion over the course of the last six years; that is an increase of 140 per cent, compared with the increase of 75 per cent for corporation taxes.

Where is the government's sense of justice? Where is the government's sense of equity? Where is the government's sense of fairness if taxes on individuals are going to go up by 140 per cent and if the OHIP premiums are going to be increased every other year as now seems to be the pattern the government has set? Why is it the government will not raise corporation taxes by that same amount?

Why is it that the government is running an economic policy in which it has piled giveaway upon tax concession upon tax expenditures to the corporations to the point where today the banks in Ontario pay a tax rate—federal and provincial corporation taxes—that is only half the tax rate paid by the poor middle-income wage earner earning \$25,000 a year? The tax rate is 15 or 16 per cent for banks and 31 per cent for individuals, including the OHIP premiums they have to pay.

The government says it has all been to make sure the economy performs. The economy has not performed. The revenues are not coming in from the corporate sector. Individuals are being hit with a double whammy. They are getting a cutback in health services on the one hand; they are getting increased premiums on the other

hand. It has to stop, and that is why we are bringing in this motion of no confidence.

It lays out quite clearly that we think this is unfair taxation. We believe the government is wrong to have levied such heavy taxes on individuals. It is a sign of government mismanagement that taxes on individuals in Ontario are higher than in any other province.

For all of these reasons we have no confidence in the government. If we can get enough votes, we are going to make damned sure we kick this gang out and get Ontario moving in terms of fair taxation, no health premiums and economic growth and equitable social services.

**The Acting Speaker (Mr. Cousens):** Thank you.

**Mr. Martel:** Mr. Speaker, due to the fact we do not have anyone from cabinet present, and we have not had for some time, I will move the adjournment of the House. It is nondebatable.

Mr. Martel moved the adjournment of the House.

**The Acting Speaker:** All those in favour of Mr. Martel's motion will please say "aye."

All those opposed will please say "nay."

**An hon. member:** The nays have it.

**The Acting Speaker:** In my opinion the ayes have it.

Call in the members.

The whips not having returned, the House adjourned at 10:30 p.m.



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Ontario

No. 34

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Tuesday, June 2, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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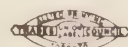
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# LEGISLATURE OF ONTARIO

Tuesday, June 2, 1981

The House met at 2 p.m.

Prayers.

## VOTES AND PROCEEDINGS

**Hon. Mr. Wells:** Mr. Speaker, on a point of order: I would like to request the unanimous consent of the House to amend the final paragraph of Votes and Proceedings of Monday, June 1, 1981, by inserting in the third line thereof, following the words "standing order 94(a)," these words: "in the opinion of the Deputy Chairman of the Committees of the Whole House, who occupied the Speaker's chair at the time." That would mean that the paragraph in Votes and Proceedings would read as follows:

"and a debate arising, after some time Mr. Martel moved the adjournment of the House. A voice vote having been taken on the question, in accordance with standing order 94(a), in the opinion of the Deputy Chairman of the Committees of the Whole House, who occupied the Speaker's chair at the time, five members stood in their places to require a division. The whips not returning, the bells rung until 10:30 p.m. In accordance with standing order 3(a) Mr. Speaker then adjourned the House."

**Mr. Speaker:** Is it the pleasure of the House that we have unanimous consent?

Agreed to.

## TRIBUTES TO VALENTYN MOROZ

**Mr. Speaker:** It is my pleasure this afternoon to introduce to the members of the House Mr. Valentyn Moroz. Mr. Moroz was released from the Union of Soviet Socialist Republics along with four other Soviet prisoners of conscience in a historic exchange in April 1979. Two years ago he was welcomed to the Ontario Legislature during his tour of Canada. After a two-year temporary residence in the United States, Mr. Moroz has decided to settle permanently in our province and in Toronto, and to become a Canadian citizen.

After Mr. Moroz's 11 years of imprisonment and persecution for basic human rights, we hope Ontario and Canada will provide him with the opportunity of a permanent home in which

to live, and share, in peace and security, his commitment to those noble principles that were unattainable in his own land. I would ask the members to join with me in welcoming Mr. Moroz.

**Mr. Shymko:** Mr. Speaker, I would like to join you in welcoming Mr. Valentyn Moroz. Mr. Moroz has informed me that two years ago, following this unique, historic exchange, the first place the five prisoners of conscience landed—they included a number of prominent dissidents—was on Canadian soil at the airport in Gander, Newfoundland, as a symbol of the land of freedom.

On occasions such as this we are reminded by the presence of men like Mr. Valentyn Moroz that, despite the moments of criticism and frustration we often experience in the face of some of the imperfections of our system and way of life, four fifths of humanity are looking at countries like Canada, at our system and our society as their hope and dream. They would certainly take the very first chance offered them to be able to live with us, to share with us these very frustrations and to build this country, which is a symbol of liberty, freedom, justice and peace to millions of people in the world.

I welcome Mr. Valentyn Moroz as a symbol, as a man who stood for certain principles, certain ideals that go beyond our limitations as individuals and as a group. I hope his potential and his abilities will be shared with us in the building of this great province and this great country of ours.

**Mr. Smith:** Mr. Speaker, when Valentyn Moroz was able to leave the Soviet Union a few years ago he visited this very assembly, as many honourable members will recall. We had the honour to welcome him here; a number of us, as the member for High Park-Swansea (Mr. Shymko) will recall, also had the opportunity to address a large rally in his honour at Nathan Phillips Square.

We are delighted to see Mr. Moroz again. I treasure the signed copy he gave me some years ago of Report from Beria Reserve, a stinging report that he wrote emphasizing the hypocrisy of the Soviet regime. It gives us very great pleasure to see Paneh Moroz again. It is a real



pleasure, and I just remind him again of a saying that I know we all believe, "Slava Ukraini."

**Mr. Cassidy:** Mr. Speaker, I too would like to welcome Mr. Moroz, and particularly for his decision to stay here in Ontario now that he has decided where he will settle and make his living after being freed from prison in the Soviet Union.

He is very much a symbol both of the Ukrainian resistance, which has been in existence for so long, and of the courageous campaign of so many dissidents in the Soviet Union who, small group though they may be, have held up a beacon, and by their courage have provided hope for many others in that country which has so betrayed the original ideals that moved people at the time of the Soviet revolution 60-odd years ago.

I believe that for all our faults and shortcomings here in Canada and in Ontario, in certain ways we have achieved some measure of liberty and democratic freedom. I hope Mr. Moroz will not lose heart in his campaign on behalf of his countrymen from the Soviet Union, or in his new countrymen in his adopted land of Canada.

Members from this party, particularly the former member for Parkdale, Dr. Duksza, and others, have worked very actively and closely with people who have been seeking to enforce the Helsinki Accords and put into reality the agreements that were made, albeit it now seems hypocritically, by the Soviet Union.

With Mr. Moroz, I hope for the day when the ideals of the Helsinki Accords will apply in every corner of the Soviet Union and when the freedom for residents to travel to and from the Soviet Union is as great as the freedom for people in this country to travel to and from Canada.

2:10 p.m.

#### ORDER OF BUSINESS

**Mr. Speaker:** Before carrying on with the routine proceedings, I would direct the honourable members' attention to the announcement entitled Business for Tuesday, June 2, 1981. In the second item, marked "3:30 p.m. and 8 p.m.," "8 p.m." should read "9 p.m." as by motion last week. I am sure all members will remember that.

#### MARRIAGE OF MEMBER FOR SCARBOROUGH WEST

**Mr. Cassidy:** Mr. Speaker, I think this is a point of privilege. Normally, members do not

have to provide a reason to be absent from this Legislature, but on Friday of this week we will celebrate the absence of the member for Scarborough West (Mr. R. F. Johnston), who will be engaging in other activities; namely, this Friday evening he will be married to Beatrice Schriever. The impending marriage gives us in the New Democratic Party caucus a great deal of joy and pleasure. I hope all members will join with me in wishing Richard and his wife every happiness in the future.

**Mr. Speaker:** I am not sure whether that was a point of privilege or not, but obviously we all join with you and wish him well.

**Hon. Mr. Davis:** It is a privilege for him; I don't know about his wife.

**Mr. Speaker:** As a matter of fact, we wish them both well.

**Mr. Breithaupt:** He's getting a new leader.

**Mr. Speaker:** Yes, he is indeed.

#### STATEMENTS BY THE MINISTRY

##### REGISTRY BILL

**Hon. Mr. Walker:** It seems appropriate, Mr. Speaker, to amend the Marriage Act at this moment. I don't know why he cannot be present during the day; the wedding is at night.

Mr. Speaker, later today I will introduce for first reading, proposed amendments to the Registry Act.

The first of these amendments will repeal part III of the act and enact a version that clearly limits the title search period to 40 years.

The second amendment proposes to change section 65 of the Registry Act to eliminate the 10-year period required before discharged mortgages can be deleted from the abstract index.

These proposed amendments would result in major time and cost savings to the users of the system and satisfy a recommendation of the 1979 report of the land registration management committee of my ministry.

The present title search provisions of the act were designed to limit the search period to 40 years, but they have lengthened it in practice because lawyers consider the provisions to be unclear.

Our second proposed amendment addresses the problems that have resulted from the provision in the current act that created a 10-year period during which discharged mortgages could not be deleted from the abstract index and thereby eliminated from the search of title. The act was amended in 1929 to provide that a

mortgage that had been discharged for more than 10 years could be ruled off the abstract index. In 1972 the act was further amended to provide that mortgages that had been discharged for 10 years did not have to be ruled off the index. Under this amendment, claims against the mortgage did not affect ownership of the land even if the mortgage was not ruled off.

Despite this change, many title searchers still examine these documents where there has been no actual deletion on the index. This means hundreds of thousands of documents are needlessly examined each year, creating a considerable amount of unnecessary work for registry staff and users of the system.

Our proposed amendment would provide that land registrars could delete mortgage entries, once satisfied that a valid discharge had been registered. If the mortgage entry were deleted, it would be clear that claims under the mortgage would no longer affect the land. Not only would this change considerably ease the work load of the system's users and staff, it would also allow the discharged documents to be microfilmed and removed from registry offices.

We are also proposing that this amendment be complemented by a new section of the Registry Act, which would provide that persons who suffer loss through any improper deletion will have recourse to the land titles assurance fund. This remedy will be available where there has been any omission or other error in recording a registered document.

Our research indicates these changes will significantly reduce the number of documents that will have to be examined in an average title search in the registry system, resulting in a corresponding saving of time to the user.

Both proposed amendments will result in savings of time and money to the public and private sectors. I hope the House will give speedy approval to our proposals.

#### RESPONSE TO PORTER COMMISSION REPORT

**Hon. Mr. Welch:** Mr. Speaker, at the appropriate time later in the proceedings this afternoon I will table the government's response to the final report of the Royal Commission on Electric Power Planning.

In March 1980 the royal commission, chaired by Dr. Arthur Porter, published its findings. Since then the Ministry of Energy has coordinated a review of the recommendations of the commission. I am pleased to advise the House that following this review the govern-

ment accepts 77 of the 88 recommendations. Nine of the 77 recommendations accepted have been referred to the federal government since they address matters for which the federal government and the Atomic Energy Control Board are responsible.

Of the 11 recommendations not accepted at this time, four require further study before a decision can be made, one is being referred to the federal government without a position being taken by Ontario, and six have been rejected.

As honourable members are aware, action was already under way prior to the release of the commission's final report in many of the areas on which the royal commission made recommendations. This implementation process, details of which are provided in our response, will continue. The spirit and the substance of the commission's findings have been and will continue to be translated into real improvements in electric power planning in the province.

I would like to summarize the reasons that the government has rejected six of the commission's recommendations.

Recommendation 8.2 stated that Ontario Hydro should accept financial responsibility for any addition to the debenture debt load of the municipalities in the vicinity of the Bruce Generating Station. The government agrees that municipalities should not bear additional costs due to construction of Ontario Hydro facilities. However, it does not think that the mechanism proposed in this recommendation is necessarily the best one for achieving this objective. Ontario Hydro has entered into other arrangements with municipalities to offset the burden of additional costs and is prepared to do so again in the future when circumstances warrant.

Recommendation 9.1 advised that Ontario Hydro should not—and I underline “not”—install sulphur scrubbers at its fossil-fuelled stations. As members are aware, on January 26, 1981, the then Minister of the Environment announced targets for reduced acid rain emissions from Ontario Hydro's coal-fired generating stations. As part of its program to meet these targets, Hydro will install scrubbers at two 500-megawatt coal units. Therefore recommendation 9.1 has been rejected.

Recommendations 12.6 to 12.9 all related to a proposal for an Ontario energy commission, which would advise the government on energy policy and electric power planning. These four recommendations were rejected on the grounds that such policy advice is and should continue to be the primary responsibility of the Ministry of



Energy. The government feels it would be inappropriate to give a quasi-judicial body, such as the Ontario Energy Board, both regulatory and policy advisory responsibilities.

Further details on the government's views on these recommendations, as well as on all the others, are set out in the response that will be tabled this afternoon.

May I also touch on another matter addressed in the government's response, namely, that of bulk power transmission facilities in southwestern Ontario. In recommendation 6.7, the royal commission stated that Ontario Hydro should develop alternative routes for a second 500-kilovolt transmission line from the Bruce Generating Station. The commission noted the concerns raised by the farming community that any new transmission line should have a minimal impact on high-quality land.

#### **2:20 p.m.**

In recommendation 6.3, the commission also stressed that there should be full opportunities for public involvement in locating such facilities. Accordingly, Ontario Hydro developed a planning process designed to address these and similar concerns. On December 15, 1980, I wrote to the chairman of Ontario Hydro requesting that Hydro hold in abeyance its planning process in southwestern Ontario, pending the government's response to the final report of the Royal Commission on Electric Power Planning. This was based on the view that any planning process adopted should provide the widest possible opportunity for public involvement, especially in the early stages before any decisions are taken.

There was also concern that the process be an orderly and efficient one, free from unnecessary duplication, complexity and confusion. In this regard I note there are a number of statutes under which a public hearing in connection with a transmission line is or may be required. The proposed Consolidated Hearings Act introduced yesterday by my colleague the Minister of the Environment (Mr. Norton) will, I believe, meet both these concerns, namely to provide a fair and effective planning and decision-making process for new transmission facilities in southwestern Ontario with full opportunity for public involvement. Therefore the government is requesting Ontario Hydro to proceed with the next stages of the planning and approvals process in such a way as to conform to the spirit and the intent of the commission's recommendations 6.3 and 6.7.

To this end, tomorrow Ontario Hydro will

initiate the first step of a two-stage process when it releases a report, to be distributed throughout southwestern Ontario, evaluating alternative transmission system plans. That report, however, will not—and I underline “not”—recommend a specific alternative. Rather, it will allow Ontario Hydro to obtain responses from the public on the alternatives available, as a result of which Hydro will select a preferred plan. That plan, along with the other alternatives, will then be submitted for review under the Environmental Assessment Act.

Following the submission by Ontario Hydro of its plan-stage environmental assessment document, a hearing by a joint board, established under the proposed Consolidated Hearings Act, will decide which of the alternative transmission system plans is best suited for southwestern Ontario. At that point, stage two, namely the route stage, of the approval process begins, with Ontario Hydro carrying out studies and consulting with the public in order to select specific locations for transformer stations and transmission lines, within the broad plan approved earlier.

Hydro will then submit its detailed route-stage recommendations for approval under the Environmental Assessment Act and the joint board will again hold a hearing. Under the Consolidated Hearings Act, the decisions of this joint board will be binding under the statutes listed in the act, including, as the members will recall from yesterday's announcement, the Environmental Assessment Act, the Planning Act, the Niagara Escarpment Planning and Development Act and the Expropriations Act.

As members are well aware, the need for additional bulk power transmission facilities in southwestern Ontario was the subject of a special series of hearings conducted by the Royal Commission on Electric Power Planning in March 1979. In its final report, the commission endorsed the need for a second 500-kilovolt transmission line from the Bruce nuclear power development. If the cheaper electricity from Ontario Hydro's Bruce B plant is to be available to all Ontario electrical consumers and not locked in, a second 500-kilovolt transmission line should ideally be in place by 1984 to avoid potential load rejection problems, or by 1986 to avoid potential economic penalties.

Meeting that latter date will be a major challenge because of the time required for public hearings, the acquisition of the right of way and the construction of the transmission line itself. While a number of activities can take



place in parallel, others have to wait until one process has been completed before another can begin. For example, the public hearings process must be completed before a right of way can be obtained.

**Mr. Haggerty:** What is a million dollars?

**Hon. Mr. Welch:** I hope the member for Erie (Mr. Haggerty) is not being critical of the public participation process.

Given the desirability of completing the line by 1986 at the latest if potential economic penalties are to be avoided, it is essential that each step in the overall process be accomplished as quickly as possible. This is the reason the process under the Consolidated Hearings Act is so important. Assuming the public hearings process takes three years to complete, it could well be that the second transmission line from the Bruce complex would not be in place until about 1988.

I am sure all members will agree that every effort should be made to avoid the necessity of burning higher-cost imported coal. We should make full use of lower-cost electricity from the Bruce plant when it becomes available, all the while providing complete opportunities for full public participation. Clearly a balance has to be struck.

During the period of the royal commission's review, a number of significant changes took place in the public policy environment, changes that the commission had to assess as they occurred. For example, during this period we experienced the beginning of a world upheaval in oil pricing and supply and a move away from oil to other forms of energy. Energy costs have escalated and greater emphasis has come to be placed on environmental impacts. Furthermore, there has been a dramatic decline in the forecast rates of load growth in electricity, which is related to the reduction in the rate of growth in total energy demand.

The commission effectively involved a large number of Ontario people representing diverse views about Ontario's energy future. I would like to take the opportunity this afternoon once again to thank Dr. Porter and the other members of the royal commission for the important contribution they have made to energy policy-making and electric power planning in Ontario. In particular the government notes the commission's success in facilitating a reasoned, open and fair public debate on nuclear and other complex technological and social issues.

Unquestionably the commission had a major impact on electric power planning in the prov-

ince even before it submitted its final report. The fact that the government finds itself in agreement with most of the commission's recommendations emphasizes the valuable contribution it has made.

## ORAL QUESTIONS

### BRUCE HYDRO LINE

**Mr. Smith:** I have a question for the Minister of Energy arising from his statement. He now says there is a great hurry to move ahead with the second 500-kilovolt line out of Bruce. Given that he has had in his hand the Porter commission report for about a year, why did Hydro feel the need to continue studying and thinking about matters? The eastern transmission facilities apparently were quite prepared for the environmental assessment long ago.

Why has Hydro stalled for a year and why is it now being instructed to hurry up lest there be an economic penalty? Why have we wasted a year since the Porter commission report came out with Hydro unprepared to go before the environmental assessment proceedings? Why have we waited a year in the west when we did not have to wait in the east? Why is the minister going to hurry us now to avoid penalties?

**Hon. Mr. Welch:** Mr. Speaker, I think in all fairness the Leader of the Opposition should review the admittedly somewhat lengthy statement. I was not trying to suggest in any way there should be any undue haste in this matter. We were attempting to set out in this statement what had to be brought into balance: the need to get on with the project and the compelling need to involve the public in hearings. I was simply sharing these dates. Because of the legislation of the Minister of the Environment (Mr. Norton) and other attempts to facilitate this, and in keeping with the spirit of the royal commission, we were hoping to find a way to accommodate both of those needs, keeping in mind the time frame required.

I do not think it is fair to say Hydro necessarily is now under some compulsion from us to speed up; we are making it possible by legislation to facilitate that. That is the spirit of this statement this afternoon.

**Mr. Smith:** Let me put it another way to the minister. If, as he says today, the second line should ideally be in place by 1984 to avoid load rejection problems and by 1986 to avoid economic penalties, why did he stop the work of Hydro preparing for this second line in December? Why did he do it then if he knew there was



going to be some kind of penalty for any delay in the completion of it? What conceivable explanation is there for the year that has been wasted since the Porter commission report came out, and why did the minister personally stop Hydro's work in this regard?

**2:30 p.m.**

**Hon. Mr. Welch:** I certainly hope the Leader of the Opposition will see that a report from a royal commission of this stature required some study and some consideration. Indeed, that particular explanation is shared with the members of this House in my statement today—that I wanted an opportunity for a number of government ministries to study the recommendations and to let me have the benefit of their advice with respect to those.

I personally suggested to Hydro in the last days of 1980 that it would be wise for us to have this response consolidated, that we should go public with this response and that the procedures they are to announce tomorrow could then be in place. I wanted to be satisfied they were in keeping with the spirit of the government's response to the Porter commission.

Also, the Leader of the Opposition will understand this is a fairly complicated matter. There are a number of factors to be taken into account. Certainly this goes back a number of years, to when the commission itself was put in place to satisfy ourselves that we were responding to the legitimate concerns being expressed by a number of people with respect to public projects such as this.

**Mr. MacDonald:** Supplementary, Mr. Speaker: Since the new approach by Ontario Hydro is that instead of presenting one possible route it is going to present five or six possible routes—and that approach now is supported by the commission and the government—is not the real reason for the delay over the last year, notwithstanding the economic consequences down the road a bit, that the government did not want to throw out this very highly controversial issue on the eve of an election?

**Hon. Mr. Welch:** Mr. Speaker, it is very important to underline that we had this particular report and we wanted to study the recommendations and satisfy ourselves that we were involving as many people as we could in the consultative process.

**Mr. J. A. Reed:** Supplementary, Mr. Speaker: Since the minister on page three of this document expresses the concern of the government to have fair and equitable public hearings, and I

think the minister used the words “to bring matters into balance so there was full public participation,” what is it that is so inadequate about the completion of the work for the eastern corridor system, which is already in place and which was presented to the select committee earlier this year, knowing full well that the western corridor links are needed prior to the eastern corridor links?

**Hon. Mr. Welch:** Mr. Speaker, the answer is that the honourable member will recall this was one of the specific assignments that was given to the royal commissioner.

#### VAUGHAN TOWNSHIP LAND USE

**Mr. Smith:** Mr. Speaker, I have a question of the Minister of Housing on the matter of the rezoning of the lands in Vaughan township.

The minister will recall that the Minister of Agriculture and Food (Mr. Henderson) explained to us how he and his parliamentary assistant, the member for Elgin (Mr. McNeil), found the land too steep for farming; in fact, they were responding to a phone call from the Minister of Housing asking them to reconsider the objections that experts in their ministry had made to the rezoning of that farm land.

May I ask the minister why he made that phone call and at whose behest, when there is a document dated January 25, 1979, signed by the director of the official plans branch of his ministry, with respect to those particular lands, which says among other things: “John, Rob and I toured the area and noted that although it was gently undulating, most of the area was treeless and actively farmed, certainly not conforming to our estate guidelines.”

Given the fact that officials within the Ministry of Housing felt this was good farm land that did not even conform to the Ministry of Housing's own guidelines for estate residential areas, what right did the minister have to request that the Minister of Agriculture and Food change his ministry's view on the matter?

**Hon. Mr. Bennett:** Mr. Speaker, I had the right as the minister of planning for Ontario to request the minister to review his position.

**Mr. Smith:** Given the fact that the Minister of Housing has made a request to have these lands rezoned and to have the Ministry of Agriculture and Food rethink its view, in direct contradiction of the objective experts within his own ministry applying the guidelines of his own ministry, and that the Minister of Agriculture and Food then complied in direct objection to the experts in his ministry.



Does the minister not think there is something rotten going on in the government of Ontario? Who is calling the shots on this particular deal? Who called the Minister of Housing and asked him to call the Minister of Agriculture and Food; so that both of them went against the objective views of the experts within both their ministries to help the redevelopment on behalf of developers in Ontario?

**Hon. Mr. Bennett:** First of all, I am not aware of the particularity the Leader of the Opposition refers to today. I realize his research people had the opportunity of reviewing the file in complete form. I have not, since I have been at a federal-provincial conference for the last few days, discussing things in relation to housing.

If anyone wants to talk about what is rotten in Denmark, it appears that the Leader of the Opposition is likely the author of that particular phraseology, because he is the only one who believes that is the situation in this province.

**Mr. Smith:** This is a document from Mrs. D. Santo, director, official plans branch, to the executive director of the plans administration division, which says—and I will read it a little more fully: “We have not yet heard from Webb regarding his request.” That was a request from Mr. Webb, which was quite legitimate, by the way; it asked for his client’s lands to be included within the same block that was being considered. It goes on to say—

Interjection.

**Mr. Smith:** I made that clear, Mr. Premier.

**Hon. Mr. Davis:** But you didn’t the other day.

**Mr. Smith:** It goes on to speak of Messrs. Knight and Weinberg, who are going to be talking about it, and says very plainly that these are against the estate guidelines.

Given that these rural estate guidelines from the Ministry of Housing say very plainly that there should be a prohibition of rural estate development in locations where it is shown it will hamper the viability and/or flexibility of agricultural activity and so on—and these guidelines are very clear—it must be obvious to the minister that his phone call was not at the behest of anyone within his ministry or the experts within his ministry and therefore must have been at the behest of the developers or the developer’s lawyer.

Why does he not own up? Who put him up to the phone call and on what did he base his call, causing both him and his colleague the Minister of Agriculture and Food to go against the objective experts in their respective ministries?

**Hon. Mr. Bennett:** I will be glad to review the file once again and to report on the whole facts to this Legislature on Thursday. I can honestly say that in the course of being the minister reporting on planning for this province, there are many members of this Legislature who will call me, as the minister, and ask for a certain file to be reviewed. I am sure the Leader of the Opposition is fully aware, because he himself has taken the opportunity of doing so, and so have the members of his party as well as members of other parties in this particular Legislature.

**Mr. Nixon:** Was it a member of this Legislature?

**Hon. Mr. Bennett:** Just a moment. I am not saying it was a member of this Legislature at all—

**Mr. Nixon:** Yes, but you both—

**Mr. Speaker:** Order.

**Hon. Mr. Bennett:** If I may be permitted to continue: As I was saying, there are many people in this province—whether they happen to be mayors, reeves, wardens or lawyers, or whether they happen to be planners or developers or politicians—who take the opportunity of calling the minister—and I am not the only one they call—to ask to have certain things reviewed. I do not find that at all embarrassing, because I think that is the proper position of certain individuals if they feel that a particular project in their community should be reviewed.

I say to the Leader of the Opposition, I will be prepared to review the file in its complete form and to report to this Legislature on this particular aspect. I might also take that opportunity to report on a few of the others that some people around this Legislature have asked to have reconsidered as well.

**Mr. Cassidy:** Supplementary, Mr. Speaker: In his responsibility as minister, and given the fact that he has a substantial number of high-priced help within his ministry to do some of the jobs for him, is the minister telling the House that, subsequent to questions being raised about this development in Vaughan a week or so ago, he has not already reviewed the file or had the file reviewed to establish what had happened when conflicting advice was being given and the experts were being over-ridden?

If that is the case, why is it the minister did not use his responsibility to review the file and have an answer now? Was he simply trying to wipe his hands of something where he was overriding his own experts?



**Hon. Mr. Bennett:** No, Mr. Speaker, because I do not take the same direction as the leader of the third party might. I said very clearly a moment or two ago that I have been out of this community at a federal-provincial conference in the city of Ottawa.

I do know there is a file ready for me, and I have not had a chance, since returning to this community at lunch hour, to sit down and go over this particular case with the some of the staff in my ministry, including Mr. G. M. Farrow, whom I think this House holds in pretty high esteem for his competence, his capability in advising ministers and other politicians and his integrity in the field of planning and land use.

I shall report to the House on Thursday.

2:40 p.m.

### HOSPITAL WORKERS

**Mr. Cassidy:** Mr. Speaker, I have a question for the Minister of Labour regarding the arbitration award that has been imposed on the hospital workers in 60 hospitals across the province.

Will the minister say whether he believes it is equitable that doctors who have the freedom to negotiate their pay and who are free to withdraw their services from the Ontario health insurance plan should get a settlement that will give them \$12,000 in additional net income this year, while hospital workers who do not have the power legally to withdraw their services from OHIP should get a settlement of \$1,600 this year under the agreement that has been crafted by the same arbitrator, Mr. Paul Weiler.

**Mr. McClellan:** In his spare time.

**Hon. Mr. Elgie:** Mr. Speaker, let me say to the honourable member, his spare time is much more useful than the member's full time.

I appreciate that the leader of the third party on many occasions and on many issues would like a minister here or a minister there to put himself in the place of the arbitrator, to judge the quality of the evidence he heard and to review the decision that was made. But that is not my role as a minister.

We have before us a competent and thoroughly thought-out document that clearly outlines the reasons for the decision, as was so in the case of the physicians, and I have no comment on the awards.

**Mr. Cassidy:** I find it unthinkable that the minister should abandon any sense of responsibility for the working people of the province, because that is essentially what he said right now.

Will the minister comment on those parts of Professor Weiler's report in which he comments on the hospitals where hospital workers were fired, where he comments on the unfairness of the treatment of different members of the bargaining committees and the local union executive? Some were not disciplined, some were suspended and some were fired. He recommends there should be an upper limit on the disciplining so they would not be discharged.

Bearing in mind that is the very least that can be expected, and since Professor Weiler believes he cannot do it in his arbitration award, what action will the minister take to implement the recommendation that there should be an upper limit on the disciplining and that no hospital worker should be fired?

**Hon. Mr. Elgie:** Professor Weiler is free, as is anyone writing a judgement or an arbitration award, to make what is called obiter remarks, but the facts of life are that this ministry and this government have been so concerned about a variety of aspects related to the illegal strike that, as the honourable member knows, we have in addition appointed a committee composed of Mr. Bob Joyce and Mr. Terry Meagher.

In spite of the gloom and doom story the honourable member is now telling us, in 25 hospitals the reprimands and suspensions have been resolved, in eight hospitals early settlements are anticipated, in three hospitals cases are already proceeding to arbitration and in eight hospitals there are discipline problems outstanding.

We are addressing the issues, and we have in place grievance arbitration procedures in this province which I think are second to none to help resolve the situations the honourable member is complaining about. I think that is the way to go.

**Mr. T. P. Reid:** Supplementary, Mr. Speaker: Does the minister recall last year when we had a threatened interns strike? Bearing in mind the increase given to the doctors, and since the doctors are as essential to the health care system as the workers in the hospitals, does the minister intend to bring in legislation outlawing any possibility of their striking if negotiations between the government and the doctors are not satisfactory?

**Hon. Mr. Elgie:** Mr. Speaker, the member has covered two or three issues. First, may I say that the hospitals and the interns have reached an agreement whereby they have voluntarily agreed they will go to arbitration.

To my knowledge, we have never had any serious suggestion that physicians in this province would give way from the responsibilities they must have towards their patients and strike. I do not have any reason to believe that is true.

**Mr. Mackenzie:** Supplementary, Mr. Speaker: Given the abject failure of the compulsory arbitration route to prevent the shafting of the hospital workers—and that is exactly what is happening to them—and given the fact that the arbitration did not stop the strike in the first place, is the minister now prepared to allow hospital workers in the province the right to strike that they are now denied?

**Hon. Mr. Elgie:** Mr. Speaker, this question has been asked before, and I think this minister has made it very clear that the government feels patient care in a hospital setting is of such serious concern to it and to society that it is one of those situations where the right to strike should not exist. We have no plans to change that legislation.

#### RENTAL HOUSING

**Mr. Cassidy:** Mr. Speaker, I have a question of the Minister of Housing about the rental construction loan program, which was announced in January and which the minister has been saying would result in the construction of 15,000 units.

Can the minister say what plans, if any, the government has to provide rental accommodation in the province, in view of the almost total collapse of that rental construction program?

**Hon. Mr. Bennett:** Mr. Speaker, first of all, there is nothing close to a near total collapse. I am fully aware of the fact that the NDP research officer has been in touch with one or two development firms in the province relating to their applications for loans under the program. Two or three have called me over the last few days and very clearly indicated this, even following me to Ottawa and telling me about their discussions.

Under the Ontario rental construction loan program, which we announced several months ago, we originally started at 10,000 units and \$42 million. Applications came in from more than 300 communities all across the province, and we increased it to 15,000 units and \$63 million in mortgages to these organizations.

We have now approved something in excess of 16,000 units through the Ontario Mortgage Corporation. When I use the word “approved,”

I trust members will understand that all have not yet taken up mortgages, because some of them are in the process of trying to get site plan approvals, building permits and so on in various communities.

While I realize the program originally was designed for and predicated on a 15 per cent mortgage interest rate, as a result of the mortgage rate moving to something close to 18 or 18.25 per cent, as indicated by Canada Housing and Mortgage Corporation in the last few days, some of the economics of the various projects or developments come into question.

I am sure the Leader of the Opposition and the leader of the third party will recall that Mr. Shiff of Bramalea Limited said in his annual report just a week ago, which was reported rather extensively on the business pages of the *Globe and Mail* and the *Toronto Star* and in other news media, as a result of the escalation in interest rates, he and his company would have to do a further review on some of the projects as to whether the economics still make them viable operations to continue or, as he said, the government should be rethinking the amount of the mortgage it is prepared to put forward on a unit basis.

**Mr. Cassidy:** A number of other developers have also communicated to the minister and the ministry as well as to the government that they cannot and will not build under the rental construction loan program at today's interest rates.

Mr. Shiff, the chairman of Bramalea Limited, wrote to the minister in mid-May to advise him that, because of the increase in interest rates and the increase in construction costs, the amount available under the program was inadequate and, therefore, Bramalea was going to withdraw.

Will the minister say how many other developers are withdrawing and what specific proposals the government has to meet the shortfall of rental construction this year which the minister himself has estimated at 37,000 units?

**Hon. Mr. Bennett:** First of all, the letter that the leader of the third party indicates he has from Mr. Shiff said that the company was reviewing the situation. If he reads the letter a little further, he will see that Mr. Shiff offers a proposal as to how much money the government of Ontario should put forward to increase the \$4,200 allowance it made in the original program. He makes it very clear that he thinks a certain additional sum of money is required to overcome certain problems.



I realize this very clearly, as does the staff of the Ontario Mortgage Corporation—and let me correct the member; if there are any withdrawals, they are not through the ministry but through the OMC, since it is the operator of the plan—and I said in the original answer that we are reviewing the program as to the need for further assistance.

**2:50 p.m.**

**Mr. Cassidy:** So it is collapsing. The minister admits it.

**Hon. Mr. Bennett:** No, it is not. The leader of the third party jumps to conclusions all the time. He would sooner not do the research and just jump to a conclusion. I said we are doing the research, the study and the review of it.

**Mr. Cassidy:** Reviewing what? It is not working.

**Mr. Speaker:** Order.

**Hon. Mr. Bennett:** When I have that done, I tell the leader of the third party, in the course of time we will make the decision through this government and cabinet as to what is required to make this particular program more effectively produce rental units for the people of this province in all the communities of Ontario.

Just to go on from that: Yesterday I was at the federal-provincial conference on housing. The Ontario rental construction loan program was discussed, as were other programs of other provinces at that conference.

I want to say to my colleagues in the Liberal Party of Ontario that Mr. Cosgrove offered not one iota of a solution from the federal government to enhance the position of the Ontario rental construction loan program to bring rental units on stream in this province.

As the former mayor of Scarborough, Mr. Cosgrove realizes there could very well be a shortfall in rental accommodations, but he is not prepared to offer any solution to the problem save and except he says Mr. MacEachen, the Minister of Finance, will make the decision on what we are going to do about the housing situation in the future.

I say to this House very clearly that I have asked the Treasurer (Mr. F. S. Miller) and the Premier (Mr. Davis) of this province to try to resolve this problem at the first ministers' conference and the treasurers' and finance ministers' conference. If Mr. Cosgrove cannot decide on housing policy, maybe through the field of finance and with our Treasurer and our Premier they will be able to get Mr. MacEachen and the Prime Minister of Canada to come forward with

a housing policy that will resolve some of the rental shortcomings of not only this province but also the rest of the country.

Interjections.

**Mr. Speaker:** Order. Mr. Ruprecht has the floor.

**Mr. Ruprecht:** Supplementary, Mr. Speaker: The minister has indicated that the rental construction loan program is well under way. I want to know how many units will be constructed under this program in the Metropolitan Toronto area.

**Hon. Mr. Bennett:** Mr. Speaker, at the time—  
[Applause.]

**Hon. Mr. Bennett:** I suppose that is the monkeys' cage that is now responding.

Interjections.

**Mr. Speaker:** Order. The minister will answer the question, please.

**Hon. Mr. Bennett:** I get a little tired listening to their great solutions, Mr. Speaker. With an endless supply of money, anything could be resolved.

In answer to the honourable member, I said very clearly and very distinctly at the time the program was being introduced that to our knowledge better than 50 per cent of the numbers we were allocating for construction would come from the Metropolitan Toronto area. Something in the range of 55 or 56 per cent of the units that have been applied for are here in the Metropolitan Toronto area.

If the member wishes to know how many are going to be constructed in the next year, I think we have to be slightly more realistic. I am sure the former member of Toronto city council will realize it usually takes about 18 months to construct a large apartment complex. I anticipate that between now and the middle of 1983 we will see a very substantial number of the overall 16,000-plus units in existence in Metro Toronto.

**Mr. Philip:** Supplementary, Mr. Speaker: Will the minister table with the House a list of those developers who, in his ministry's opinion, are firmly committed to the program and the number of units that are going to be placed on stream during the next year under that program? Can the minister give us any assurance that they will not disappear in the same way that the 1,285 units in Bramalea disappeared just recently?

**Hon. Mr. Bennett:** A correction first, Mr. Speaker: The 1,285 units in Bramalea have not disappeared.

**Mr. Cassidy:** Where are they?

**Hon. Mr. Bennett:** They are already under construction in the great community of Brampton, which the Premier happens to know a little bit about.

The members opposite ask, can I give a guarantee? I indicated already in my answer that interest rates going up to something in the range of 18 per cent will cause some of the developers and some of those in the field of designing and developing units to rethink their position on the economics.

**Mr. Cassidy:** Oh!

**Hon. Mr. Bennett:** Yes, "Oh!" I have no intention of suggesting that any developer should proceed with a unit that eventually is going to mean some financial disaster to him.

Frankly, I am prepared to table in this House—and I think the honourable member's party research people already have it—the number of organizations and companies, not only in this community but also across the province, that have made application for the loans and have been granted them. In due course I am sure a very substantial portion of them will be taken up and the construction will get under way and produce some man-hours of work.

**Mr. Speaker:** The Minister of the Environment has answers to two previously asked questions.

#### RADIOACTIVE WASTE DISPOSAL

**Hon. Mr. Norton:** Mr. Speaker, during my absence on Thursday, when I was at meetings in Winnipeg, I understand the member for Quinte (Mr. O'Neil) raised a question relating to the Madawaska Mines Limited site as a repository for radioactive wastes. Prior to that, the member for Hastings-Peterborough (Mr. Pollock) had raised the same concern, particularly with respect to whether it is likely to be a long-term site for the disposal of other radioactive waste.

I am not in a position to give that assurance but, in view of the concern the residents of that area have and the questions the two members have raised, I will certainly communicate with the Atomic Energy Control Board and seek such response. It has been made clear in communications up to this point that is not their intention, but I cannot give any ironclad assurance without further communication with them.

**Mr. O'Neil:** Supplementary, Mr. Speaker: The minister has representatives from his ministry who sit on the federal-provincial task force dealing with radioactivity in the Bancroft area. The federal government has refused to produce the contract it has with Madawaska Mines dealing with the Atomic Energy Control Board.

Since the minister has a representative who sits on that task force, is he prepared to produce for the Ontario Legislature a copy of that contract to tell us whether they have signed intentions to put further atomic waste in the Bancroft area?

**Hon. Mr. Norton:** I doubt very much if that is actually a supplementary to the original question. I can assure the honourable member I do not have a copy of that contract. I do not suppose I can get it if he cannot. If it is a contract between the federal government and some carrier, for example, or the mine—I am not sure which contract the member is referring to—then it may well—

**Mr. Smith:** Why have a joint committee if you don't know what is happening?

**Hon. Mr. Norton:** The committee does not necessarily enter into contracts. I do not even know which contract the member is talking about. I will include that in my communication, but I cannot give any assurance about producing a federal contract.

**Mr. O'Neil:** Since the minister has representatives on that board who have to okay whether certain materials are dumped in certain areas of the province, he should be able to get a copy of that contract for this Legislature. Will the minister supply a copy of the contract that mine has with the federal government so we can see where that nuclear waste is going to be dumped?

**Hon. Mr. Norton:** I think that supplementary reflects a total misunderstanding of the role of this province in serving on the task force with representatives of the federal government. We do not enter into contracts. To the best of my knowledge, the task force has nothing to do with arranging contracts.

I will make the inquiry I undertook to make, but I think the member should reflect upon the appropriate role of this province in that matter.

#### PRESENTATION OF CHEQUES

**Mr. Eakins:** Mr. Speaker, my question is to the Minister of Health. Will the minister inform this House how many schools received a \$1,000 cheque last Friday for filling out forms regarding nutrition? What was the purpose of this



exercise? Why did the minister's staff ask that this be kept confidential until the day of presentation?

Since the schools involved were asked by the minister's staff to invite mayors, other civic people, members of the school board and the press, why did they not extend that common courtesy to members of the opposition? In my own riding, for instance, the minister asked the Speaker of this House to represent him at the presentation of the cheques.

**Hon. Mr. Timbrell:** Mr. Speaker, the local members should have been invited; I thought they had been. I will check into it.

**Mr. Eakins:** Does the minister not feel that it is improper to have the Speaker of this assembly, who not only must be impartial but also must appear publicly to be impartial, handing out ministry cheques across the province? Why would the minister place the Speaker in this position and in effect use that high office to his political advantage?

3 p.m.

**Hon. Mr. Timbrell:** I think that kind of question is beneath the dignity I know the member possesses.

I have already acknowledged that local members should have been invited and I thought they were. With respect, I have known four Speakers of this assembly in my time here, and I have known other Speakers before my time; it has never been my understanding that the act of becoming Speaker removes one from dealing with people and their interests—

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Timbrell:** It has been my experience that Speakers past and present have continued their interest in health matters. I thought the member opposite had been invited, and he should have been. I am quite prepared to acknowledge that and to check into why it did not happen.

**Mr. Speaker:** Order. For the edification of this House—I think it is important, now that the matter has been raised—I did have legal advice before I made that commitment—

**Mr. Haggerty:** Robinette?

**Mr. Speaker:** No, it was not. The advice was that it was not a conflict.

**Mr. Roy:** On a point of order, Mr. Speaker: I do not know what sort of legal advice you got, but it seems to me that your function is to serve the Legislature, not the Ministry of Health. The

impartiality of the office is what this whole assembly rests on if it is going to work. It has to be impartial. Getting involved in highly partisan activities such as handing out cheques—

Interjections.

**Mr. Speaker:** Order.

**Mr. Roy:** Getting involved in highly partisan activities such as handing out cheques in opposition members' ridings is something that undermines your impartiality and that of the chair. I suggest, Mr. Speaker, that you not should be used by ministers of the crown in that fashion.

**Mr. Speaker:** As I said before, I was sufficiently concerned that I did ask legal advice. The legal advice was that it did not in any way interfere with my impartiality, nor was it a conflict of interest in any way, nor was it seen as acting on behalf of the government. I want to make that very clear. I have already assured all the members of this House, and I will do it once again, that I will serve each and every one of you with complete fairness and impartiality, and I say that very sincerely.

**Mr. Haggerty:** It was terrible advice.

**Mr. Speaker:** Just a minute. Whether it was terrible advice or not, I suggest to you that it was the best advice available to me at the time.

Interjections.

**Mr. Speaker:** Order. We are not going to debate this issue. I think it has been clarified—

**Mr. Smith:** No, it has not been.

**Mr. Speaker:** I think it has, with all respect. I ask for a new question from the NDP.

**Mr. Smith:** On the same point of order, Mr. Speaker: You were apparently given advice that this was not a partisan activity, and yet the member for Ottawa East (Mr. Roy) suggests that it was.

When you are thinking this over, Mr. Speaker, I ask you to consider that in the riding of Hamilton West, for instance, a cheque was given out by the only Tory member in the vicinity, the member for Wentworth (Mr. Dean), whose riding is some considerable distance from my riding.

A cheque was handed out at Agnes Macphail school in my riding, and I knew nothing about it until I was able to read about it in the newspaper. That should clearly tell you, sir, that this is a partisan activity in which Tories are being selected wherever they are nearby, to go into neighbouring ridings and present cheques on behalf of the government of this province.

Even though the member for Wentworth can

be regarded as a lapsed Liberal, he is now a Tory; and the fact is that, with great respect, sir, you were chosen because of your political affiliation to a nearby riding. All other members have been used in that way, and I ask you, sir, to recognize that you have been misused by the government of this province.

[Applause.]

**Mr. Speaker:** Order, please. I would like to clarify one point in response to a statement made by the Leader of the Opposition. I had no prior knowledge of the activities he described. On the other hand, I was sufficiently concerned about the matter that I took several days, not only to seek legal advice but to speak to other people not connected with government. As I said before, the opinion was that it did not in any way affect my impartiality.

[Applause.]

**Mr. Speaker:** Order, please. Mr. Martel, would you like to speak to this point of order?

**Mr. Martel:** Mr. Speaker, on the same point of order: I hear everyone pounding their desks over there but I think realistically the Speaker himself has to realize that the legal opinion, for whatever it is worth, was poor. In fact, it was very bad.

The members over there cannot thump their desks and pretend they can have a totally partisan Speaker wandering about the province at the behest of some minister to hand out a cheque and suggest that impartiality remains. Let them stop the clapping for a moment and think of the position in which they put the Speaker. He is doing something at the behest of a minister; he delivers a cheque. My colleague the member for Lake Nipigon (Mr. Stokes) never did that; my colleague would not do that.

Mr. Speaker, the position you have unwittingly been brought into is that you lose your impartiality when you go into another riding. Certainly, in your own riding you have functioned as a member of this Legislature, but wandering around the province means that impartiality is lost. I think the legal opinion you got might be technically right, but politically it is disastrous.

**Mr. Speaker:** That was the very point with which I was concerned. It was the point on which I sought legal advice, and I was given assurance that it did not in any way affect my impartiality.

**Mr. Dean:** Mr. Speaker, on a point of order: Since the issue has been raised by the member for Hamilton West, I would like to point out to

him and to the rest of the House that the presence of the parliamentary assistant to the Minister of Education at a function of that sort surely should evoke no surprise, because it is a joint program with the ministries of Health and Education.

Interjections.

**Mr. Speaker:** Order please. I am recognizing Mr. Conway.

**Mr. Conway:** Mr. Speaker, on that point of order: Would you at least undertake to tell me who provided the legal opinion and, if it is written, would you give us the further undertaking to table it here in the House?

**Mr. Speaker:** I would be happy to do that. It was not written advice.

**Mr. Cassidy:** Mr. Speaker, on the point of order: We cannot now remove the fact you were present where we believe you should not have been, but may we have an undertaking that as a servant of this Legislature you will not again as Speaker go on behalf of the government side to present cheques outside your own riding?

**Mr. Speaker:** If that is the wish of the Legislature I will take that under consideration and give it close attention. I want to say again that I did not accept this matter lightly. I did not see it as being on behalf of the government and neither did the legal opinion dwell on that. They did not see it as an action on behalf of the government.

**Mr. O'Neil:** Mr. Speaker, on the same point of order: I personally have no doubt that what you are saying is true, but my worry lies in some of the previous things that have happened, not only in other ridings but in my riding also. If I might quote what was said by that same Minister of Health on December 8 in regard to an announcement made in my riding without the member knowing it was happening, the minister said to me in return, "When he joins the Progressive Conservative Party, then I will add the member's name to those lists." I think it is about time the Premier started to discipline some of the members of that government so that we do not continue having the type of problems we are having in this Legislature.

3:10 p.m.

**Mr. MacDonald:** Mr. Speaker, since we are trying to make a clean breast of it this afternoon, I would suggest that maybe you should get advice—and not from the same source—on another of your activities since you became Speaker; namely, the week after you were



appointed, on a CBC radio broadcast in which you were announcing your appointment you were promoting the government's youth employment program. That is not nonpartisan activity.

**Mr. Speaker:** Again, for the information of the House, those radio broadcasts are taped and I am not sure, although I will take a look at it, that I was aware of the appointment at the time the taping was made.

**Mr. MacDonald:** You announced it in the broadcast.

**Mr. Speaker:** Did I? I will check that. Thank you.

**Mr. O'Neil:** Mr. Speaker, on the same point of order: I would just like it to be known that after the comments I just made, the Minister of Health looked over at me and said, "Never again."

**Hon. Mr. Timbrell:** Mr. Speaker, that is not correct. I said, "Never now." The members opposite do not like it, but the fact of the matter is that the people of Ontario, having a very clear choice, on March 19 gave my leader and this party an overwhelming mandate to govern and those members never accept it.

Interjections.

**Mr. Speaker:** Order. I would respectfully remind the honourable members that question period is slipping by. If you wish to discuss it further, fine, but I just wanted to draw that to your attention.

**Mr. Mancini:** On the point of order, Mr. Speaker: I wish to bring to your attention that by your actions, sir, although they may in your mind not have had any political motivation, it certainly does appear to us that there was some political motivation and there was some political advantage to be gained by the government.

We on this side of the House certainly want to respect you as an impartial person who is sitting in the chair, one who is going to use the rules of the chamber in fairness and in an equal way to all members of the House.

I just want to bring to your attention that last year when the procedural affairs committee visited Ottawa, we had the opportunity to meet with Madam Speaker Sauvé and she informed us that she had to be so careful that she did not even attend partisan conventions so that the members of the House of Commons can in no way feel that she might be acting in a partisan way when she returns to the chamber and assumes her role in the chair.

We would ask you in the same fashion to be as

impartial as humanly possible so that we can have confidence in you when you have to make these tough decisions down the road.

**Mr. Breaugh:** Mr. Speaker, I am a little reluctant to speak to this point of order but it certainly has been raised. There have been a number of matters which were raised to you today which are obviously of great concern to the members here.

I happen to live in an area where I see some of the communications media coming out of your riding, and I appreciate that in the first few weeks since you were appointed Speaker you have had the same problems that every Speaker has of adjusting from being a very partisan member of this assembly to one who plays a different role. I appreciate that those problems are there and I frankly appreciate the fact that you sought some legal advice. I think the consensus is in from opposition members that the Speaker must remain someone who shares the confidence of all members of this House and that cannot happen while you are sitting in the chair and then assuming a different role when you leave and go outside. There must be some permanence to that.

The other thing I want to say very simply is: I do not know how you will solve this, but there is a problem in here. Opposition members are being lectured about the realities of March 19, which is quite fair. To have that happen on the first day is okay, but to have it happen day after day is causing nothing but an uproar. If that is what this House wants to have, it is obviously going to have that.

I do not suggest we are going to get a chance to ask any questions about that matter and I would ask you to take it under consideration that you might perhaps speak with the House leaders to see if some consensus can be arrived at over these matters, such as whether it is courtesy to inform the local member if some function is being sponsored in his riding by any ministry, and to clarify the role that you play, Mr. Speaker, when you are not occupying the chair.

**Mr. Ruprecht:** Mr. Speaker, in isolation, this kind of action might seem to be very innocent indeed, but when you couple that incident with what has happened in many of our ridings, where information has been withheld and other people have been given cheques to give out, and when you couple that with the recent announcement of the Minister of Health that people are to be kept out of the Queen Street Mental Health Centre—in fact, members of this Legislature are

being kept out—then we can come to only one conclusion. That conclusion is very simple, that this government operates under a vicious blanket of secrecy.

**Hon Mr. Timbrell:** Mr. Speaker, a point of privilege—

**Mr. Speaker:** Order. Order. That really has nothing to do with the point of order.

**Hon. Mr. Timbrell:** Mr. Speaker, with respect, if you would just hear it—

**Mr. Nixon:** Sit down, Dennis.

**Mr. Speaker:** Order. Order.

**Mr. Martel:** The Speaker is on his feet. Members are supposed to sit down when he is on his feet.

**Mr. Speaker:** I am glad you recognize that, because very few members have. Thank you.

**Hon. Mr. Timbrell:** Mr. Speaker, it amazes me how a nutrition award can be turned into a partisan issue opposite but—

**Mr. Nixon:** He is the one who does it. He did it last time too. For two years he has done it.

**Mr. Speaker:** Order.

**Hon. Mr. Timbrell:** —I want to thank the members opposite. If there was ever any problem with publicizing the existence of the program, I want to thank the members opposite for making it universally known.

With respect, on the point of privilege, the honourable member said, or at least inferred that members had been denied access—members had been barred from the facility. That is not true and I suggest that remark should be withdrawn.

**Mr. Ruprecht:** Mr. Speaker, on a point of personal privilege: I have in my possession a document that was given out by the Ministry of Health, which says members of any party, including our party, have been kept out of the mental health institution at Queen Street. I have that copy and consequently there is no need to take that back at any time.

**Hon Mr. Timbrell:** I have a room for you.

**Mr. Havrot:** If you are so anxious to get in we will let you in.

**Mr. Speaker:** Order. Order. Has this matter been discussed sufficiently? I certainly have the consensus of the feeling of the House. It is not only that I should be impartial but I should appear to be impartial.

**Ms. Copps:** Mr. Speaker, on a point of order—

**Mr. Speaker:** The same point of order?

**Ms. Copps:** Mr. Speaker, this point of order will be very brief. In an effort that we, the members of this House, may ascertain in fact the impartiality of those members who have delivered the nutrition cheques, could the Speaker please table in this House a list of the members on the government side, the ridings that they come from, the positions in which they were acting when they gave out those cheques and the ridings where they delivered the cheques?

**Mr. Speaker:** I think that question should better be directed to the minister. I do not have any control over that.

3:20 p.m.

### CONSTRUCTION OF LRT CARS

**Mr. Foulds:** Mr. Speaker, I have a question for the Premier. I wonder if he remembers his firm promise at the beginning of the election campaign in Thunder Bay, reiterated three days before the election, that there would definitely be a contract signed with Hawker Siddeley Can-Car Division of Thunder Bay for GO train cars. If he does, can he explain his apparent backing off from that commitment in his answer of Thursday last to the member for Fort William (Mr. Hennessy), when he said, and I quote, "Further GO cars might be constructed or manufactured at the Thunder Bay plant."

Is the Premier aware that unless the contract is signed soon substantial layoffs will occur at Can-Car, that about 1,000 people now work at the plant and unless a contract is forthcoming that will become a skeleton staff by the fall? Is it true that he is attempting to get Hawker Siddeley to lower its price from \$1.2 million per car to \$900,000 per car and that is the holdup in signing the contract?

**Hon. Mr. Davis:** Mr. Speaker, I do not know what the honourable member's source of information is. My recollection of my statement at a great nominating convention in Thunder Bay in the early part of the campaign was that the government or the Ministry of Transportation and Communications (Mr. Snow) would be negotiating a contract with Can-Car, Hawker Siddeley, whatever name—

**Mr. Foulds:** You called them National Steel.

**Hon. Mr. Davis:** National Steel, whatever—

**Mr. Foulds:** You had the wrong company.

**Hon. Mr. Davis:** Well, it used to be Can-Car, whatever it is—that they would be negotiating.

I think it is important for the honourable member to understand—because I know the



member for Fort William understands this and has been in very close touch with it—I indicated to him on Thursday that I felt the negotiations were proceeding. The government's obligation is, of course, to negotiate. We are negotiating for all of the taxpayers of Ontario. The honourable member would be the first one to be critical of us if we executed a contract that might be above what the market might require. He would not want us as trustees for the taxpaying public to give a contract even to that very distinguished company, if it were not negotiated in such a way that we could accept in good conscience the final results.

I have to say to the honourable member it would be very difficult for the Minister of Transportation and Communications to go to the head of this particular company and say: "I have a blank cheque. My government is prepared to pay any price whatsoever for those excellent vehicles." There are negotiations going on. As a result of negotiations, I think it is fair to state that a company, by and large, usually says, "We would like X dollars." Toronto Area Transit Operating Authority probably says it is worth Y dollars and the minister, in his wisdom, will probably come up with something close to X minus Y or Y minus X—I forget which figure I used first.

**Mr. Foulds:** Does the Premier not recall his words three days before the election, when questioned by the press in Thunder Bay he said, "As long as I am Premier I can assure you that contract will be signed"? There was no hesitancy about the promise. Did the Premier not, in fact, give Hawker Siddeley a lever by prematurely announcing the contract for electoral purposes during the course of the campaign, and the company is now asking more than the Premier is willing to pay? If not, why has the contract been held up for as long as it has?

**Hon. Mr. Davis:** Mr. Speaker, I just told you, and I think the honourable member is trying to have it both ways. At one moment he is being critical because we are negotiating, the next moment he is being critical because we gave some encouragement to that very distinguished firm, because we want to see them stay in business. The member cannot have it both ways. I know he tries to argue things both ways, but he cannot get away with it.

As far as I am concerned, I am quite optimistic that, in fact, a negotiated contract will be arrived at. I am very optimistic that there will be more GO cars, serving the Brampton line perhaps, coming forth from the Fort William plant.

But I say to the honourable member, we have to negotiate. We are doing it and I think we are very nearly in the final stages of those negotiations.

**Mr. Foulds:** How many cars is the Premier negotiating for and what price range is he talking about?

**Hon. Mr. Davis:** Mr. Speaker, I think it is fair to state the honourable member always likes to be fully informed and I am a great believer in giving him all the information. But I have to tell him I do not think it would be wise to get into figures during the course of the negotiations. I can assure the member that the minister will be delighted to share with him (a) the number of vehicles and (b) the per unit cost when the negotiations are completed.

**Mr. Speaker:** Just to demonstrate my impartiality, we will have a final, final supplementary.

**Mr. Mancini:** Supplementary, Mr. Speaker: I would like to ask the Premier if there are any other Ontario companies which are capable of building these GO cars? Would he say if any discussion has occurred with any of these companies and if so are they still in the running to have this contract? Finally, is there any price differential or any other matter which arose in any of these discussions which may give any of the Ontario companies an added edge over one of the others?

**Hon. Mr. Davis:** Mr. Speaker, I hate to disappoint the honourable member, who I am sure in his own way is trying to be suspicious and cynical about this process. If he asked any person knowledgeable in the transit field he would find out—

**Mr. Mancini:** That is why I am asking you.

**Hon. Mr. Davis:** The honourable member should just ask me a simple question—is there anyone else—and I would give him a simple answer. But the implication he is trying to draw is that Hawker Siddeley is getting some sort of preferential treatment. I am not totally stupid and I know what the member was attempting to say in his question. The answer is a very simple no. I wish there were a company in Brampton that could but the answer is no, it is Hawker Siddeley. If the member had asked that very simply I could have given him, for once, a very simple yes-or-no answer.

#### WINDSOR TRANSIT DISPUTE

**Mr. Wrye:** Mr. Speaker, I have a question for the Minister of Labour. The minister is aware

that Windsor has suffered a public transit strike for almost 10 weeks now, a strike that shows no signs of ending soon. Could the minister inform the House as to the latest state of negotiations and whether he contemplates any initiative on his part to end the walkout that has so inconvenienced the public as well as causing serious financial harm to the workers involved?

**Hon. Mr. Elgie:** Mr. Speaker, the government has been very much involved in the negotiations and as recently as last week, May 27 and 28, gathered the parties together for mediation discussion, which did not result in a settlement. We will continue to keep in touch with the parties and if there is any evidence of a change in their position negotiations will resume.

**Mr. Wrye:** The two sides are reported to be far apart on the matter of wages. In fact they cannot even agree on the size of the offer from management some 10 weeks into the strike. Does the minister not feel the time has come to step in personally to try to bring the two sides together before the strike does any more harm to the business community in addition to the workers and riding public, especially the senior citizens of Windsor?

**Hon. Mr. Elgie:** Let there be no doubt the government is following those negotiations very closely and as recently as three or four days ago was involved in mediation. That is not ignoring a problem. We will continue to be closely involved in it and are prepared to intervene and offer whatever services we have that can be of assistance.

## REPORT

### RESPONSE TO PORTER COMMISSION REPORT

Hon. Mr. Welch tabled the response of the government of Ontario to the final report of the Royal Commission on Electric Power Planning.

## PETITION

### DRIVER EXAMINATION CENTRE

**Mr. Di Santo:** Mr. Speaker, I would like to table a petition signed by some 35 residents of the riding of Downsview which says, "We the undersigned support the request to have the decision reversed regarding the hours and the volume of driving tests of the driver examination centre situated at 262 Falstaff Avenue, Toronto."

## MOTION

### COMMITTEE HEARINGS

Hon. Mr. Wells moved that standing order 72(a) regarding notice of committee hearings be suspended for the consideration of Bill Pr10, an Act to Incorporate London Baptist Bible College and London Baptist Seminary by the standing committee on social development.

Motion agreed to.

3:30 p.m.

## INTRODUCTION OF BILLS

### REGISTRY AMENDMENT ACT

Hon. Mr. Walker moved, seconded by Hon. Mr. Sterling, first reading of Bill 92, An Act to amend the Registry Act.

Motion agreed to.

### DANGEROUS GOODS TRANSPORTATION ACT

Hon. Mr. Snow moved, seconded by Hon. Mr. Norton, first reading of Bill 93, The Dangerous Goods Transportation Act, 1981.

Motion agreed to.

**Hon. Mr. Snow:** Mr. Speaker, in November last year the federal government enacted legislation to cover the movement and handling of dangerous goods in Canada. The Dangerous Goods Transportation Act applies to anyone who handles or packages dangerous goods, such as shippers, consignees and warehousemen, along with those who carry them under federal jurisdiction, airlines, ships and railways.

Shortly after the proclamation of the federal act, I introduced a bill in this House designed to promote the safe transportation of dangerous goods in all vehicles using provincial highways. Unfortunately there was not time to deal with that legislation last fall, so I would like at this time, as I have just done, to reintroduce the Dangerous Goods Transportation Act.

In the intervening months, there have been some slight modifications to the original bill to reflect the concerns of interested parties, but the form is consistent with the federal legislation and the intent of the bill remains unchanged. To briefly recap that intent, the bill makes it an offence to transfer dangerous goods in a vehicle on a highway unless in accordance with the federal safety regulations, including those regarding packaging and the placarding of vehicles.

Once enacted, this Ontario legislation will be strictly enforced by duly authorized Ministry of



Transportation and Communications highway carrier inspectors who will be empowered to lay charges under the act. To ensure compliance we have set some pretty hefty fines for carriers who break the law. Every person who contravenes the act will be liable to a fine of up to \$50,000 for the first offence and up to \$100,000 for subsequent offences.

I am confident that our legislation will provide for the safe and efficient movement of dangerous goods regardless of origin on all provincial highways in the interests of Ontario residents.

#### ANSWERS TO QUESTIONS ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, I wish to table the answers to questions 94 and 96 standing on the Notice Paper. [See Hansard for Friday, June 5.]

#### ORDERS OF THE DAY

House in committee of the whole.

#### MASSEY-FERGUSON LIMITED ACT

Consideration of Bill 48, An Act respecting Massey-Ferguson Limited.

**Mr. Chairman:** Are there any comments, questions or amendments to any section of this bill, and if so, to what section?

Section 1 agreed to.

On section 2:

**Mr. Cooke:** Mr. Chairman, I have a number of questions. I will take them one at a time. Will the minister inform the House exactly where the negotiations are at this point for the agreement that will be signed eventually? When does he expect that agreement to be signed and at what stage are we now?

**Hon. Mr. Grossman:** As indicated at the time the original arrangements were made and the government undertaking was clarified for the public, the target date that all parties are currently looking at is mid-June and no later than the end of June.

**Mr. Cooke:** On some of the specific guarantees I assume we are going after, such as job guarantees, will the minister indicate exactly what job guarantees he is looking at? Is it six per cent of the world work force including subsidiaries or 6,100, whichever is the larger number?

Perhaps the minister can explain to us why these job guarantees are going to be adequate

when in the Chrysler deal—and I am looking at page five of the Chrysler deal—it says, “The company shall maintain an average employment level in Canada of at least nine per cent for the period of calendar year 1980-81, 11 per cent for the period of calendar years 1982-86.”

In that agreement, the minister indicated he would not support the federal deal because the job guarantees were not adequate, along with other guarantees which we will get into. The guarantees for Massey-Ferguson are almost identical, yet in this case they are adequate and acceptable.

**Hon. Mr. Grossman:** To clarify the number of jobs, the member will note in the information forwarded to him that “the company will make every effort to maintain the number of permanent jobs in Canada at least equal to the greater of 6,100 jobs and 13 per cent of the number of employees at the company and its subsidiaries throughout the world.”

I remind the member there were many problems with Chrysler Corporation, one of which was that it was in a position where it could not give us as many other guarantees as Massey-Ferguson did. Because of its other guarantees, the value of the Massey-Ferguson deal to Canada is greater in some regards, for example, in sourcing, in upgrading its production facilities, in the potential for more research and development in Canada and in establishing an export office in Canada. All of those are guarantees that we simply could not get in the Chrysler arrangement.

As the member will recall, in the Chrysler arrangement job guarantees were insisted upon because in essence the original deal struck between the federal government and Chrysler contained nothing else that would guarantee jobs. Therefore, we said we would have to have a strict, hard guarantee on jobs because none of the restructuring of the company or the undertakings it had given us would ensure that jobs stayed in Canada.

We went to a straight, hard-nosed approach that required a job guarantee. If they had been able to provide other guarantees such as renovated premises, a certain time frame for putting light cars in Canada or a whole host of other things, perhaps the situation would have been different. That was not the case.

With Massey-Ferguson, it was the case. We were able to get a number of other undertakings. Taken together with the ratio of jobs to total jobs and the fact that Massey-Ferguson is a Canadian company operating in Canada and

agreeing to repatriate some of its operations, it is quite an attractive proposition. It contrasts favourably with Chrysler.

**Mr. Chairman:** Mr. Cooke, just for clarification: Mr. Cunningham made a valid inquiry as to whether your approach is covering clause by clause of section 2 or you are asking questions generally about the whole section.

**Mr. Cooke:** Mr. Chairman, when I looked at the bill, I felt section 2 was the only section where we could go into details about the possible guarantees. That is my major concern.

**3:40 p.m.**

**Mr. Chairman:** I think it would make more sense to follow it clause by clause so we can attack each section. If there are any further inquiries with regard to subsection 1 of section 2, I think that probably would be the more appropriate route to follow. Does anyone want to speak to subsection 1 of section 2? No one speaking? Shall subsection 1—

**Mr. Cooke:** I want to speak on subsection 1.

**Mr. Chairman:** I am sorry, Mr. Cooke; it is probably my fault for not getting clarification from you.

**Mr. Cooke:** I want to pursue some questions on guarantees, which I think all fall under subsection 1 of section 2, as I was attempting to do. May I continue?

**Mr. Chairman:** Yes. Please do.

**Mr. Cooke:** The minister raises the idea that the Chrysler guarantees in other areas were not as good as the ones we are looking at in the case of Massey-Ferguson.

The minister raised the idea of sourcing. I look at page three of a document that one of his people sent to us. It talks about the possible sourcing guarantees, and it says that it will “use its best effort to obtain supplies and services in Canada from Canadian sources.”

What kind of guarantee is that? What makes that superior to what we negotiated with Chrysler, where it said pretty much the same thing, that they would do their best to increase purchases from Canadian suppliers?

I do not understand how this agreement—what we have seen of it, and obviously we have not seen an agreement yet—is superior to the Chrysler deal, and why the minister is so much more enthusiastic about this deal than he was about the Chrysler deal.

**Hon. Mr. Grossman:** I am not in a position to spend the rest of the afternoon discussing which

deal is better, Chrysler or Massey-Ferguson, nor do I intend to do so, because it really is a fruitless exercise.

We had two companies in difficulty. The circumstances surrounding the two companies were obviously dramatically different. One cannot even begin to talk about comparisons between the two companies any more than one might talk about the difference between a local grocery store that is in trouble and a local car dealer that is in trouble. It is a fruitless exercise.

If the member wants to suggest that in the Massey-Ferguson case the best-efforts clause to obtain supplies and services is inadequate he is free to do so. I say to the member, however, that this company is and was in critical enough condition that any attempt to force them to source in Canada, where it would put the company in an economically less viable position, would defeat the entire intent of the bill and, if anything, lead the company into a position in which this government would end up paying \$78 million to \$80 million where otherwise it might not. So it would be counterproductive to force inefficient sourcing in Canada.

The undertaking is pointed towards obliging the company to make efficient, economic sourcing in Canada wherever possible. I think that is a prudent course to follow.

**Mr. Cooke:** Will the minister indicate how he intends to measure this and how he will be able to determine whether the company is making its best effort to source parts from Canadian suppliers?

**Hon. Mr. Grossman:** A monitoring committee has been set up to monitor those and other activities of the company.

**Mr. Cooke:** What criteria is the minister going to be looking at, and how is he going to determine whether they are making their best efforts to supply from Canadian sources? The minister has really given us no information as to how this clause, the way I have seen it worded, can possibly operate.

**Hon. Mr. Grossman:** If the member will think about it for a second, he will realize this is the sort of thing we have been doing—for example, in the pulp and paper grants—for some time. If companies wish to source outside Canada, or if we raise some objection to a particular piece of machinery, or in this case some materials, being purchased from other than Canadian sources, then we can sit with the company and ascertain what efforts they went through to ensure that there were no Canadian alternatives available.



If we are aware of a Canadian alternative or feel that the company has not sought out Canadian alternatives then we can do one of two things: in the latter case we can require them to seek out Canadian sources—and Massey has undertaken that it will do that—and in the former case if there is a Canadian source available then the company will have to prove to the monitoring committee that the Canadian source is inadequate in some fundamental way. It will have to satisfy us, in other words, that it would be bad for the company to buy the product made in Canada as opposed to the one made outside Canada. That seems to me the best way to do it.

**Mr. Cooke:** So, basically, the company is going to have to justify sourcing from outside Canada. If in the monitoring committee's opinion the company could economically source in Canada and it is not doing so, will this committee have some authority to impose restrictions on the company to ensure that this is followed? How is that going to work?

**Hon. Mr. Grossman:** As I say, how it is going to work on a day-by-day basis is part of what is being discussed with a whole range of other matters now. Suffice to say we are going to end up with a legal agreement obliging the company to source in Canada, as I say, to exercise its best efforts to obtain supplies and services in Canada. I remember from the time when I was in the legal profession that best-efforts clauses are not at all unusual in the legal field.

Of course, if there is to be a test, if one party to the agreement—in this case the governments—felt that Massey-Ferguson were not exercising its best efforts, then they would be in breach of the contract and I suppose we could withdraw from the transaction, which would likely cause all the other partners to withdraw and the company to fail. Ultimately, our right to do that—or if it were challenged by anyone—would be determined by the courts. It would be up to the courts to determine whether Massey-Ferguson had exercised its best efforts.

To be practical, the member will realize that like very many business arrangements, if all the parties to the arrangement are not operating in good faith, if all the parties are not co-operating and exercising their best efforts to meet the spirit, intent and letter of the agreement, then no number of legal words and no amount of court action is going to remedy the situation.

There are more than 250 banks involved. There are governments involved. Everyone has to make an effort to make this arrangement

work. Massey-Ferguson, I believe, is very appreciative of the assistance it has been given, and I have every reason to believe it will exercise its best efforts. In fact, we have already seen the movement of an operation from the United States to Canada, which I think indicates pretty clearly that prior to the final agreement being signed they are going to honour the undertaking they have given.

**Mr. Cooke:** What is the long-term Canadianization of this company as the minister understands it so far? What types of commitments have they made to him in terms of Canadianization and repatriation of some of its company back to our country?

**Hon. Mr. Grossman:** The member will see in some of the information we have provided that Massey-Ferguson will ensure that any major North American investments for new product lines or increased production capacity will be made in Canada.

They will maintain and upgrade their production facilities in Canada. They will continue to manufacture large combines in Canada for sale in North America.

They will locate additional North American facilities for tractor assembly and additional North American facilities for the manufacture of axles and transmissions in Canada.

They will locate all research, development and engineering for all new manufacturing activities in Canada.

That is not the final list but it is an up-to-the minute list.

**Mr. Cooke:** If that is not the final list, what other things is the minister looking for?

**Hon. Mr. Grossman:** I think the member can presume we are looking at all of the kinds of things that maximize the jobs in Canada and at undertakings to anchor the head office, the principal office, here in Canada.

We would like to see what we can work out by way of undertakings, at least for some sort of consultation in the event the company should ever have to look to reducing or closing out one of its Canadian operations. We hope there will be some mechanism we can develop that will be realistic for consultation with governments.

Essentially, all of the undertakings relate to all potential new investment, all potential moves in North America coming to Canada and any international operations, of which to be fair there are very few that possibly could be located in Canada for various reasons, being transferred to Canada.

3:50 p.m.

**Mr. Cooke:** What is the realistic potential for diesel engine production in Ontario through Massey-Ferguson, either in a joint venture with Chrysler or on their own or in a joint venture with someone else?

**Hon. Mr. Grossman:** Let me put it this way: it is a very real possibility, and discussions are going on at present. There are problems with it, and it becomes very intricate; as the member has indicated I think both today and on other occasions, there are various partners and various sites that might be located, various permutations and combinations, but it is a real possibility. It is not a pie-in-the-sky dream; it is a real possibility.

**Mr. Cooke:** Are press reports correct when they indicate Victor Rice said that Chrysler is out of the running if diesel engine production does come to Canada? Is that possible joint venture completely out of the running, as far as the minister knows?

**Hon. Mr. Grossman:** No. As far as we are concerned, I do not believe it is out of the running.

**Mr. Cooke:** The other question I have is, when the minister was looking at a way to aid this company, rather than just going the route of guaranteeing the \$78 million worth of shares, did he take an honest look at the possibility of direct government investment?

When I look at some of the potential returns on investment that the government could have made instead of the Royal Bank and the Canadian Imperial Bank of Commerce, it seems to me rather exciting that if we could have got some of these guarantees that we are looking at we would have had a direct input as to how they were implemented within the company and had some return on our investment.

With the present system, we seem to be taking the risk for the banks. Other than the jobs, which are very important, and the survival of this company, which is very important, we do not seem to have the option or the opportunity to get a return on investment, whereas direct investment would have provided for that.

Was that an option the government looked at realistically? If so, why was it rejected?

**Hon. Mr. Grossman:** Yes, we did look at that over the long period of time we were studying it. I guess our view after studying it was that if a direct investment was made it would entail many millions of dollars to be paid out by the taxpayers immediately as opposed to the deal we have struck, which may well call for no dollars ever to be expended by the public.

Second, we sought a mechanism whereby if we were to assist we would lever the maximum amount of private sector investment in the company because, of course, that is the best measure. There is no question about the desire among legislators of all political stripes to make sure that the employment stays there and that Massey stays there, but ultimately the best business judgement will be made by those who have to put some money up and the degree to which the banks, the current creditors and potential new investors are willing to put their money up behind the organization.

The reason was our desire to play a role in catalysing the maximum amount of new investment, be it by current creditors or new investors in the company, and to do so at minimum risk to the taxpayers. I think we have succeeded in doing that.

The third thing I want to say is related to what the member talked about in terms of direct investment having bought us some power or whatever. In terms of the size of this company, even with its problems, the amount required in direct investment by the taxpayers to have a real say in the company would have been quite large. So, unless the taxpayers of this province are willing to make a massive investment in a company that still has difficulties, let's face it, then we really would not gain very much say in the company.

I think the prudent course was the one we selected, which was to just test the market and see about the willingness of the private sector to come into this deal. Even though \$200 million of the \$720 million is government guaranteed, it is still an important test for the company, which it has passed so far.

**Mr. Cooke:** The minister talks about the risk for the taxpayers; obviously whether we had put \$78 million into this company directly as an investment or whether at some point the company goes bankrupt, the risk under this deal is the same as if we had put the money in directly. The \$78 million is still at risk, and we are taking the risk and will lose that money if the company does not survive.

But I understand with the \$100 million that the Royal Bank is putting into shares, for example, it is going to be under the guarantees the company has made. It is guaranteed \$920,000 a month in dividends or \$11,120,000 a year, which means in 10 years it will have got back in dividends the amount of money it has invested, plus it has the opportunity at that time to have its shares bought back by Massey and to get its



original \$100 million back as well. So the potential return on investment is fairly good as well as the options that same shareholder has to buy common shares and to make significant amounts of profit on those common shares.

Of course, the government could have participated directly and, instead of the Royal Bank being the beneficiary of that as well as the beneficiary of lending the money to the farmers to buy this equipment that Massey is going to be producing at 25 per cent interest, the government could have done that and the taxpayers would have got a return on their investment.

I do not really buy the argument that there would have been greater risk putting the money in directly now, because if the company does not survive we are still responsible for \$78 million worth of guaranteed shares.

**Hon. Mr. Grossman:** I do not want to deny the fact that, coming from where the member comes from on the issue, his argument has some degree of logic. We do not happen to accept it. We think our argument is more logical and has more to offer for this reason.

The choice we opted for puts us in a position to have \$78 million at work today somewhere else in the economy of this province, perhaps through the Board of Industrial Leadership and Development or perhaps through one of the other economic development mechanisms of this government.

Seventy-eight million dollars is an awful lot of money. We now have that on hand for us to use, as opposed to putting the \$78 million in the hands of Massey-Ferguson today, when it is obvious they could have acquired the money somewhere else; that is, from the private sector.

We entered into an arrangement whereby we could have the \$78 million on hand, for us to use perhaps through BILD, and at the same time have Massey-Ferguson funded to the tune of \$520 million by the bank. That \$520 million was, in part at least, predicated upon the proposition that government would be in for part of the backing of the other \$200 million by way of guarantee.

It becomes a very important aspect of it, that we levered \$520 million out of the very banks the member is saying will benefit. I suspect, if one looks at the situation, the banks wish they were not in this position at all and did not have to put up \$520 million. But, by virtue of the road we followed, the banks are putting \$520 million into this company.

I much prefer to see the banks, some of whom I suppose played a role in what happened to

Massey-Ferguson, having to come up with \$520 million than to have the taxpayers of this province having to put in \$520 million, or whatever figure we might want to talk about, and taking the banks off the hook to a large degree, letting them walk away. We also end up with shares of a company, which, as I said earlier, is still going through a difficult period of time.

I would rather see the current arrangement with the current shareholders and the banks putting up \$520 million instead of the taxpayers of this province. It is that simple.

**Mr. Cooke:** I do not think we will ever agree on that particular point.

I would like a commitment from the minister. I understand that as soon as the agreement is signed it will be tabled in the House. Is that correct? The minister is anticipating that this agreement will be signed some time in mid-June; is that the goal that has been set at this point?

**Hon. Mr. Grossman:** Yes.

**Mr. Cooke:** You talked about June 15 the other night.

**Hon. Mr. Grossman:** It probably will be June 19.

4 p.m.

**Mr. Cunningham:** Mr. Chairman, I am not certain which section it comes under. I hope we get this signed before some Australian bank gets itchy and causes all the hard work of Red Wilson to go down the drain.

My primary concern is that Ontario exercises its opportunity with regard to the appointment of a director. I want to know from the minister whether it is the government's intention to exercise that privilege. I think it would be in the best interests of the province to do that. Most certainly it would afford us some accountability, which I think the taxpayers of Ontario are entitled to in view of the commitment the province is making.

During the course of my comments on second reading of this bill I suggested that if the feds were reluctant to exercise their option in this regard—it is understandable why they may want to be as far away as they possibly can—that possibly we should consider asking if we might have their appointment as well. But at the very minimum, I hope the minister can assure us today that we will be exercising that option and putting an Ontario citizen on the board of directors of this company.

**Hon. Mr. Grossman:** Just to clarify it for the member, Mr. Chairman, the right to appoint the director only comes into play when the guarantee is called.

**Mr. Cunningham:** I must have been misinformed; I am sorry. I thought that was an option for us prior to that. Is that not correct?

**Hon. Mr. Grossman:** Up until the point at which the guarantee is called there is monitoring. All the documents of the company are available to the monitoring committee. But until that point we do not have the right to appoint a director.

**Mr. Nixon:** Mr. Chairman, does the minister mean to say that in the event things turn to ashes and we have to deliver the goods under section 2—and via \$78 million worth of \$25 stated value cumulative, redeemable, retractable preferred shares series D—the company need not go into bankruptcy?

It is one of the real dangers in a bill like this that we would have an opportunity to give them even more money and put a director on the board along with a director from Ottawa. Is the minister saying that is one of the alternatives we might have available in the ghastly event that this does not work?

**Hon. Mr. Grossman:** That could not be done, Mr. Chairman, at least not without coming back to this assembly. I refer the honourable member to section 2(3)—

**Mr. Nixon:** That would be with the \$78-million limit?

**Hon. Mr. Grossman:** Yes. It points out that “the amount of money payable by the minister under this section to purchase shares of the corporation shall not exceed in aggregate the amount of \$78 million.” We consciously chose that route so we would have to come back to this assembly.

**Mr. Nixon:** I was simply pointing out the logic that must have been in somebody's mind that permits the minister to appoint a director in the event that he has to make the payment. In my mind, if the minister has to make the payment the company will probably be in fairly serious straits. But that is when the illogical aspect of putting in good money after bad may very well be presented to us. We will have to deal with that in the event it occurs, which I hope is very unlikely.

There is something, I know, that has been discussed in the questions the minister has been dealing with before. Can the minister, in a

concise form, list the conditions that would open up the till on the \$78 million we are making available?

**Hon. Mr. Grossman:** It is not quite accurate to say that simply because the \$78-million payment is triggered the company is by definition in serious difficulty. It is conceivable the company could miss a dividend without being on the point of bankruptcy. The import of this is that, of the \$720 million being put back into the company, \$200 million of it was by way of the sale of those shares the member described so well a moment ago.

**Mr. Nixon:** With the nine modifiers.

**Hon. Mr. Grossman:** What it says is that those people who purchased the nine-modifier shares did not want to have invested in the company if they do not continue to get dividends.

In the event one dividend is missed, the banks may well decide they are not going to call their loans, that they are going to continue to back the company and that the failure to pay a single dividend, say some time next year if there is another drought, does not mean the rest of their money is at risk. They may well choose to stay in there. It is a clause meant to take out the shareholders who will have become nervous because one dividend was missed. It does not mean to say the company at that stage is automatically at the brink of bankruptcy.

The events which will trigger the payment of the \$78 million are as follows: If in the next 10 years the company fails to pay dividends on the series D shares when payable—those are the shares you are talking about—or fails to redeem—

**Mr. Nixon:** Excuse me, the dividend amount is fixed in the agreement.

**Hon. Mr. Grossman:** It is fixed to prime. As you will recall, it was half prime plus one and three eighths.

The events are as follows: If the company fails to pay dividends on the series D shares, fails to redeem any series D preferred shares pursuant to a retraction privilege effective in 1991, voluntarily winds up or dissolves or in the event a receiver of the company is appointed—in other words if the company is put into receivership—and they fail to redeem in 1991 in accordance with the agreement or fail to pay a dividend.

**Mr. Renwick:** Mr. Chairman, I appreciate the question that was asked by the previous speak-



er. I take it from what the minister has said there are four conditions which will require the government to purchase the shares.

**Hon. Mr. Grossman:** I thought three.

**Mr. Renwick:** Three?

**Hon. Mr. Grossman:** The last one was generally descriptive of an insolvency, the last one being the company voluntarily winds up or dissolves or in the event that a receiver of the company is appointed and the appointment remains in effect for 30 days. That is the third one.

The second one is failure to redeem any of the preferred shares in 1991 and the first one is failure to pay dividends.

**Mr. Renwick:** That is for the whole of the period, not necessarily the missing of one dividend.

What are the conditions under which a receiver and manager could be appointed for the company, and does the government have any say whatsoever in the events that might lead up to that appointment?

**Hon. Mr. Grossman:** I am sorry, the default referred to in that last section may not be related, as I indicated earlier, to insolvency only. It may be related to an undertaking in the agreement, a part of an agreement made with any one of the many parties to the agreement whereby the company may come into default of one of the terms of that agreement.

In that situation, that particular creditor could have a trustee appointed on his or her or its behalf and the reason for the 30-day clause is that the rest of the parties to the agreement have 30 days to remedy that problem and to get the receiver out of there without triggering the \$78 million.

**Mr. Renwick:** Is there any intermediary acting as trustee with respect to monitoring the company in the interval, in the next 10 years, to ensure there is forewarning of any impending event which will require the province to purchase the shares?

**Hon. Mr. Grossman:** As I indicated earlier, a monitoring committee is being set up, to be composed of representatives of our government and the company. The purpose of the monitoring committee is to put it in the position of having full and complete access to the ongoing affairs of the company, to review the finances of the company and its operating plans, to review the progress of its subsidiaries and to be informed

of any changes to its operating and financing plans subsequent to the ones that will be tabled when the agreement is finalized.

**4:10 p.m.**

**Mr. Renwick:** I do not want to go to great lengths in trying to ascertain all the technical details that are in the agreement. I just assume that the government has good advisers on the question.

What I want to know is, is the agreement so conformable to a normal business transaction that the safeguards and protections that would be available and demanded by an institutional lender under similar conditions are available to the government? That is the kind of general question I want to have answered. I do not want the minister just to stand up and say, "Yes, they are." I want to know whether or not the document is going to contain those terms and conditions and the provisions for the protection of the province that would be normal in such a transaction if it were a private institutional guarantor who was coming up with these numbers of dollars, recognizing that they are very formidable provisions put into this type of document.

**Hon. Mr. Grossman:** I would say to the honourable member that to a large degree the agreement we are entering into tracks the same kinds of agreement that many of the private sector guarantors or the banks and other creditors are providing, so the answer to your question in a word is yes, for the most part.

**Mr. Renwick:** I take it there is an obligation on Massey-Ferguson and its investors to provide you with the maximum amount of information you will require if you ask for it to make a decision as to whether or not there is something that should be done in the interval or whether you are concerned about the state of the company prior to any event causing the purchase to be required.

**Hon. Mr. Grossman:** In point of fact the obligation of the company is to provide us with that level of information in the absence of a request. We are entitled to it as of right without request. If there is anything in the documentation that is coming to us as of right that would cause us to ask further questions, ask for further information, they are also obliged to provide that.

**Mr. Renwick:** On the question of when we will see the document, time goes by and I would not be surprised if on June 15 or June 19 you do not have the document. Can we be assured that

if the House is not in session, a full and complete copy of that document will be filed with the Clerk of the House the moment it is signed and delivered, and will be available to the members for those who want to have a look at it?

**Hon. Mr. Grossman:** The answer is yes, it will be made available. Just to clarify, I was saying with tongue in cheek that it might be as late as June 19. I just picked that date because that is rumoured as the date when we might all be leaving here. Realistically it is hard to believe, but it could be if Mr. Nixon is co-operative. He can't have a bad day every day.

I think realistically it will be towards the end of the month. The parties are indicating that they are determined and feel obliged to get it done before June 30, but because of the complexity of it, it will not be long before June 30, and yes, it will be filed with the Clerk.

**Mr. Renwick:** I think this is my last question and then perhaps my friend would like to ask his questions. Is your obligation to purchase going to run with the shares? In other words, if the Canadian Imperial Bank of Commerce and the Royal Bank of Canada deal themselves out in whole or in part, will a purchaser down the road have the opportunity of coming to the government, or is the obligation of this government to purchase those shares personal to the Canadian Imperial Bank of Commerce and personal to the Royal Bank of Canada?

**Hon. Mr. Grossman:** They are not personal, they run with the shares.

**Mr. Renwick:** I assumed that the Royal Bank of Canada and the Canadian Imperial Bank of Commerce have had a close relationship with Massey-Ferguson for quite a long time so that they can bail themselves out, and down the line this province may have to pay to someone other than an indigenous Canadian operation. Presumably if the Canadian Imperial Bank of Commerce or the Royal Bank of Canada deal themselves out of it, they may very well deal themselves out abroad. Why is there not a requirement on the Canadian Imperial Bank of Commerce and the Royal Bank to hold the shares in order that you will have the protection of those institutions in the oversight of the management of Massey-Ferguson? At the end of the period of time, if all goes well, fine, but if over the period of time all does not go well, it is the people who are involved in the refinancing of Massey-Ferguson who have the right to come to the government and nobody else.

In the other event, why was it not considered

possible or reasonable that if the Royal Bank or the Canadian Imperial Bank of Commerce deal themselves out, the province should be released from its obligation to pay?

**Hon. Mr. Grossman:** These shares have not been purchased by the Canadian Imperial Bank of Commerce. The major purchaser is the Royal Bank.

**Mr. Renwick:** Then I'm sorry, could I have the names of the purchasers?

**Hon. Mr. Grossman:** I'm sorry, we do not have an entire list.

**Mr. Nixon:** Is it a lot of purchasers, or just three or four?

**Hon. Mr. Grossman:** It just says six or eight purchasers. I will see if we can get some of that information.

**Mr. Foulds:** If it's just six or eight, why don't you have the names?

**Mr. Renwick:** My question still stands.

**Hon. Mr. Grossman:** It is a fair question. I make this point: First, the Royal Bank, unlike the Canadian Imperial Bank of Commerce, has no other major involvement with the company. To that extent, the Royal Bank is nothing more than another investor in the company as opposed to another manager or another decision maker. There would be no reason for keeping that particular financial contributor or partner in the deal as opposed to another financial partner.

Second, there were a whole range of things to be decided when we worked out this agreement. One of them, as a condition laid down, was that the vehicle used be a market instrument. I cannot tell you how much more the purchasers would have required by way of dividend payments had they not had the right to transfer. I do not know what that figure is or, indeed, if I am right in saying that, but I think it is safe to say that the degree to which you reduce the flexibility of the purchasers of a market instrument affects the return they are going to want in exchange for it. Their object was to raise the maximum amount of money and minimize to the greatest extent possible the amount of money that had to come out of this firm which is going through a financially difficult period of time.

All in all, putting literally hundreds of items into the fire, one of those that came out in the various matters to be traded off was the decision that, for dozens of other considerations, the instrument used would be a market instrument. In view of the fact that the major purchaser of



those instruments is not a major player in the management of the company, there did not seem to be a major tradeoff being made for using the market instrument route.

**Mr. Renwick:** Let me just pursue it a little bit more, because this concerns me and I want to express my concern as clearly as I can. Even though it is called a purchase, there are certain events which would cause you to have to come up with the money. If I were dealing with Massey-Ferguson in downtown Toronto by way of guarantor, which is the position you are in, it would be difficult to conceive of another institution I would more like to have in the game with me throughout the time of my guarantee than the Royal Bank. Whatever their reasons, if they are putting up \$100 million and they are simply a bare investor or whatever you want to call them, they have an awful lot of clout to make certain their \$100 million is protected. You will not have the benefit of that if they deal off their shares for any price. As I understand it, they could divest themselves of their investment on a salvage operation and somebody else could come in for the full amount, if they wanted to play games. I am not suggesting they would.

It seems to me the obvious way is to say to the Royal Bank: "If you want to deal yourself out, we will be dealt out at the same time. If you want to sell those shares, you can sell them as they stand by themselves without our guarantee, but as long as you've got our guarantee, we need your protection in the game." It would seem to me that should be the position of the government with respect not only to the Royal Bank but to the other seven or eight persons who are putting up the total \$200 million.

**4:20 p.m.**

**Hon. Mr. Grossman:** I think the history of this is important. Again, the member may conclude that the government ought to have acted differently. I would respond to that by saying that we had to look at all the circumstances on the table and all the negotiations going on and make the best deal we could. I think it was a good deal. Looking at the history of it, what happened was not that the government said, "As part of our \$200 million financing, you must obtain the Royal Bank." I know the Royal Bank would be flattered to hear the confidence the member for Riverdale has in it. The Royal Bank may one day want to sell the United Automobile Workers' pension fund, and I am sure the member would have equal confidence in that administration.

That was not the object of the exercise. In fairness and in a serious way, it was a general underwriting. It was an underwriting of an issuance of this variety of shares which was undertaken by Ames and Company and this government, together with the federal government. We agreed to guarantee the purchasers of that general underwriting, whoever those purchasers might be. I understand the member may have some objection to our doing that, but that is what we did. We undertook to the purchasers of that \$200 million worth of security—or those securities which raised \$200 million—that we would guarantee them against their loss. The Royal Bank is protected. It is not as if the Royal Bank is very much at risk. We have already agreed we would take them out if any one of three things were to happen. Essentially, they bought nothing more than a market note with no rights in terms of management or running of the company, except, in essence, one right: to put the shares to the government if one of three events occurred.

While one may look at the Royal Bank in terms of a partner one would like to have, the arrangement that this government, Massey, and the 300 other creditors made was that as part of the \$720 million there would be a general underwriting, which happens to be subscribed to by six or seven institutions, of which the Royal Bank happens to be one. One of the terms of getting that preferred share issued at that price with those undertakings and conditions was that it would be simply a market security. It was not pointed towards obtaining a certain partner, but towards raising \$200 million. We succeeded in doing it.

**Mr. Nixon:** I think the question to which I wanted an answer previously follows from what we have been discussing. Before the refinancing, the Argus holdings, about 16 per cent of the previous shares, were sufficient for the brothers Black to run the company, have one of themselves appointed president, and when they got tired of it, to find Mr. Rice and see that he was president. I think the minister undertook at one time to tell the House what effect the writing down of the value of the shares—which I do not understand at all other than that they decided they were going to give them away—had for Argus. If that is not considered to be irrelevant, and it may well be by Mr. Chairman, who votes those shares? Why are those shares not sufficiently influential to manage the company, and since they are owned by the UAW pension fund it is interesting that those shares seem to have dropped from sight entirely.



**Hon. Mr. Grossman:** I guess this company, as a result of all it has been through, takes on a markedly different form than the companies you and I might be more familiar with.

**Mr. Nixon:** I am not familiar with any of them.

**Hon. Mr. Grossman:** Well, you have read about some. It does not have, any more, that dominant single shareholder, even though it is not a majority shareholder. Many firms have a controlling shareholder, because that shareholder owns, as the Blacks did at one stage, 16 or 23 per cent, whatever the percentage was.

**Mr. Nixon:** The number of shares is the same.

**Mr. Grossman:** But there is a massive dilution because they have been given to the employees' pension fund. You might take the position, and I suppose one theoretically could—

**Mr. Nixon:** Well there is one.

**Hon. Mr. Grossman:** That is right. However, you now have a series of banks that are holding some shares in the company, of which the Canadian Imperial Bank of Commerce would hold a number of shares. In essence, as a result of this and other measures, the dilution of the shares is quite massive.

**Mr. Nixon:** They are not management shares.

**Hon. Mr. Grossman:** They are terribly widely held though.

**Mr. Nixon:** They are preferred, redeemable, et cetera.

**Hon. Mr. Grossman:** The other part of the financing, however, involves the purchase of equity shares by banks to the tune of about \$280 million. So while we tend to think of the Blacks writing down of their interest as a large writing down and, therefore, that block being very large, the dilution has involved banks as a part of the \$720 million, for example about \$300 million, with \$720 million buying up common shares.

**Mr. Nixon:** I wonder if the minister could give us some information as to the effect on Argus of the so-called writing down. What is writing down? Is it a sort of petulant taking of the shares and saying: "We do not want these any more. We are going to give them away and forget about them as a sort of a bad dream"? Or is there a tax effect?

**Hon. Mr. Grossman:** I just wanted to complete my comments to give you some idea of what the \$280 million of new equity meant in terms of shares to the company. That is about 40 million new shares of company.

**Mr. Nixon:** How many were there?

**Hon. Mr. Grossman:** Previously, there were about 18 million of which the Blacks held a portion. The Blacks had three million shares. That will give you some idea of what has happened with the company. The Blacks had three million and the banks now subscribe to 40 million shares. That is what we call a dilution.

**An hon. member:** That is watering down.

**Hon. Mr. Grossman:** I feel a little hard put on to explain to the honourable member what the writing down, or whatever you described as what the Blacks did is. I would even have a hard time if I were a lawyer being paid for it, but in essence it is not that much different from you saying that because the car you are driving gives you a lot of aggravation and costs you a lot of money to run, "To hell with it—to heck with it"—sorry, Mr. Chairman—"I am not interested in it any more. I am not driving it ever again. I am putting it in the driveway and I am not going to pay for gas, oil or service it. There it is. It is worth nothing, so someone come and take it away. I am writing it down. I am writing it off. PS: Someone came and drove it away."

In terms of showing that on your personal financial statement as if you still owned a car, essentially when you file your statement of net worth with the clerk, or whomever you file it with, your bank manager who gave you the loan, you just decided that you did not want to have the car any more. The licence in your name is signed blank and you transferred it away and you are not going to show the car because you do not want it any more, even though it might have some value to some one who knew how to drive that car.

**Mr. Nixon:** I am sure you are aware that the block of shares that the minister refers to as some sort of Datsun, or something that I might have in my garage—

**Mr. Eaton:** Or a Cadillac.

**Mr. Nixon:** —or a Lada; does that make you feel better? Anyway, the reference was in fact to the control of the most prestigious Canadian corporation. You see, it is very difficult for sort of a simple farmer from South Dumfries to accept the minister's explanation that the Black brothers in a fit of pique said, "Thank God we are out of that terrible mess and we are going to unload this lemon." The lemon was financial and administrative control of what really had to be the principal Canadian corporation.

It is incredible. It is absolutely mindboggling. The statements that were attributed to Conrad and Montagu, as reported in Maclean's, have



never been explained, where besides saying "We are glad to get out," which we can understand a little bit—I think the comments were somewhat expurgated—they went on to say, "We stand to either lose nothing more or to make a great deal of money." Do you remember that comment? It was certainly read in the House three or four times.

**4:30 p.m.**

**Hon. Mr. Grossman:** I must say that some of the comments have stayed with me; that one has not. In any event, I should say to the member that a lot of parts of the Black history to it have yet to be understood by very many people—

**Mr. Wildman:** "Black history" is very appropriate.

**Hon. Mr. Grossman:** Yes, until we got involved and saved the company. But there are very many things, I suspect, that very many people will not understand for some time to come. I cannot add much more than that.

Sections 2 to 5, inclusive, agreed to.

Bill 48 reported.

On motion by Hon. Mr. Grossman, the committee of the whole House reported one bill without amendment.

#### RACETRACKS TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 81, An Act to amend the Racetracks Tax Act.

**Hon. Mr. Ashe:** Mr. Speaker, this bill contains amendments to the Racetracks Tax Act that will implement the proposal in the Treasurer's budget of May 19, 1981, to increase from seven per cent to nine per cent the rate of tax payable on triactor bets at race meetings in Ontario.

**Mr. Nixon:** Mr. Speaker, I wanted to say something about the bill, since it is the first of a series of Treasury bills that we will be discussing perhaps later this afternoon and this evening. I am not knowledgeable about the activities at the track—it is one of the few areas that I am not really expert in—but I have read recently about some spectacular payoffs on the triactor. I think a \$2 bet paid off \$60,000 or something—I missed that one.

**Hon. Mr. Norton:** I thought it was a tractor.

**Mr. Nixon:** So did I; this is the wrong bill.

I was quite interested that the Treasurer (Mr. F. S. Miller) in his budget would have undertaken to increase the revenues from racetrack activity with this rather selective, specialized

approach. Frankly, I was also surprised that if he felt the revenues from the racing business could have been improved he did not take a broader approach—much as I would be very much against an increase in the take, particularly since I understand that a good deal of it is paid back to some of the more needy citizens of the province who keep a stable of thoroughbreds and standardbreds as a hobby.

On a number of occasions the House has had lists of those citizens, not exactly persons in substantial need, who have been in receipt of upwards of \$1 million to assist them in buying hay for the nags that are out competing.

As a farmer and a good judge of horseflesh myself, I am very keen that we improve the standards of the breed. But as one of my former colleagues, now I understand an estimable hearing officer for the Ontario Municipal Board, said on one occasion, the same number of members of the Legislature would be out at Woodbine if they were running Holstein cows. It is not so much appreciation of the breed and the excellence of the breed as it is actually getting down a \$2 bet. Some of them were even known to make bigger bets than that on occasion.

**Hon. Mr. Ashe:** Oh, oh.

**Mr. Nixon:** Well, nobody on his side, of course; so that is all right.

If the revenues are going to be paid to these large payers of income tax who have large stables of thoroughbreds and standardbreds as hobbies, then I am not keen about raising the revenues on that basis. If, on the other hand, the emphasis is going to be to support the dirt farmer who on occasion through his own good judgement and selective breeding may be able to improve the breed, then those cheques are in an entirely different category.

If they are hard-working soybean farmers, for example, they probably merit the payment more than if they run a series of corporations like Argus, which we were just talking about and which is prepared to give up control of a major corporation like Massey-Ferguson simply because it cannot stand the heat in the corporate kitchen that particular day.

I am not too concerned about the bill. The increase in revenue is minimal. But basically the question is, why the triactor? Why not the exactor? Why not all the bets? On the other hand, why do they not leave it alone or even contact the government of Canada and, if they want to turn this into a real revenue proposition, go for offtrack betting?

I hasten to say that the dirt farmers, the people I represent who have a few horses in the stable, are not anxious to have offtrack betting, because they want to emphasize the opportunities the citizens have to go down to Ray Connell's racetrack at Flamboro Downs and take part in one of the most exciting sports there actually is.

Mr. Speaker, with these carefully prepared remarks, I should tell you that my colleagues and I are going to support the bill in principle.

**Mr. Charlton:** Mr. Speaker, I also want to raise with the minister the serious question my colleague the member for Brant-Oxford-Norfolk raised about the triactors. I wish to know what the government's thinking behind this move is. I am not over concerned about the bill either, but I will just make a few comments to the minister about the whole theory of what the government should be trying to get at.

Section 1 of the bill deals with the winners in terms of betting at racetracks in Ontario. The minister is surely aware that, under both federal and provincial legislation, the winners of those bet pools at the racetracks are technically subject to pay income tax on their winnings. I think most members of this House know, and surely the minister should know, that nobody ever declares his racetrack winnings on his income tax. I cannot understand why the minister is taking this particular approach to dealing with racetrack winnings.

4:40 p.m

I also want to raise with the minister the question of why we are discriminating between one type of winning at the racetrack and another type of winning at the racetrack.

I will be very interested to hear the minister's rationale for this particular move since it seems to me, and I think it should be widely known by anyone who has looked into it, that the winnings or the prizes in the case of triactor betting are usually larger since the numbers of winners are usually much smaller because of the way a triactor bet is set up, as opposed to the regular parimutuel betting.

It seems to me that perhaps the approach should be that all winnings at the racetrack should be taxed equally or, if not, perhaps those winnings that are most easily come by should be considered at a higher rate than others, as opposed to the way the ministry is approaching this.

With those comments, I am going to suggest, as my colleague did, that the taxes involved here

are very minimal. We are not opposed to the bill, but it is a particularly confusing approach that the Treasurer and the Minister of Revenue have decided to take on this racetracks tax.

**Mr. Renwick:** Mr. Speaker, can I pick up on what the member for Brant-Oxford-Norfolk had to say?

I listened to Metro Morning, not long after the events of March 19. The former Minister of Consumer and Commercial Relations had an interesting dialogue about offtrack betting, in which he indicated it was the government's intention to pursue this matter with the federal government. He said they were going to go either over or around Eugene Whelan, and there were something like eight million reasons why the Treasury would be moving towards offtrack betting. I intended to get a copy of the tape, but I have not been able to get one.

He had some very interesting and discursive remarks to make about offtrack betting, indicating of course that it was only wealthy people who would engage in it so that nobody would be hurt, and probably the offtrack betting stations would be established mainly in the clubs, such as the National Club and the Toronto Club downtown, and there would not be any in Riverdale, I am told.

Does the government have any intentions about offtrack betting, and is this the opportunity they have been waiting for to disclose those intentions to us?

**Mr. Wildman:** Mr. Speaker, I just have a few short comments. Not knowing a great deal about triactor betting but being informed that there often are larger winnings, since the risks are greater and there are fewer winners, it appears to me that the principle of this bill is simply to try to get more money out of the people who win big.

If that is the case, is the real underlying principle in this bill that the government somehow does not really believe these kinds of winnings should be allowed or are legitimate and that in some way it is trying to punish big winners?

If it is not a punitive bill, can the minister please make clear to us how much the government expects it is going to be able to collect by increasing the tax on this type of bet by two per cent? What revenue is anticipated, and is it substantial? Is this an attempt to increase the revenues of the government, or is it in some way an attempt to punish big winners at the track?



**Mr. Haggerty:** Mr. Speaker, I want to address myself to Bill 81, An Act to amend the Race-tracks Tax Act.

Listening to the previous speaker, I do not think there are many great winners at the racetrack at any time. Looking at the triactor, I do not think there are going to be many winners a day. But I support the bill in principle.

I recall that during the 1981 election there was quite an issue in my area particularly, where we had Conservative candidates coming in and saying if people did not elect the member from the government party they would not get any assistance to maintain the Fort Erie racetrack. In other words, if they elected an opposition member to the Legislature, the racetrack would close.

I suggested last year during discussion of the minister's estimates that there were other areas where they could provide some assistance to the racetracks—particularly the Fort Erie racetrack—so they can remain open. I said some of the additional revenues that have been collected over the years should pass back to Ontario horse breeders, perhaps increasing the purses, which would encourage more horse owners to take their animals down to Fort Erie and race them. It is considered a class B meet, which is a kind of training area for some of the jockeys and perhaps for some of the younger thoroughbreds.

I suggest the government has to put a little bit back in if it wants to maintain a viable racing industry in Ontario.

I remember my colleague the member for Brock (Mr. Welch) spoke at the nomination meeting in Port Colborne and stressed most forcefully that if the people wanted the racetrack in Fort Erie to remain open they should elect a member of the government party.

I hope this amendment, particularly as it concerns the triactor, will give the government some initiative to open the standardbred racetrack in St. Catharines known as the Garden City Raceway. There is a chance for the government member to fulfil a promise to move in this area. It would increase employment in the area and perhaps bring in additional revenue to the municipality. I hope the government will move in that direction. I think the Deputy Premier should keep that promise because the racetrack is in his riding.

I have had some discussions with the racing people in Ontario and with the representatives of the federal Department of Agriculture concerning offtrack betting. There are still some

misgivings about it by the federal government and even by the horse breeders and horse owners in Ontario.

I would not move too hastily to bring about offtrack betting in Ontario. Eventually every place there was a booth selling Wintario provincial lottery tickets one would find a place to put down a bet, no doubt, for betting at any of the tracks in Ontario and perhaps outside of Ontario.

Offtrack betting has not worked that successfully in the United States. They have found there that all the revenues are being eaten up by civil servants who have been employed by offtrack betting agencies at pretty fair salaries and at the expense of the New York state government.

This is an area where one could throw in a little more political patronage, and this government is noted for that. I suggest very little revenue will go back to the Fort Erie racetrack if the government moves into offtrack betting.

**Hon. Mr. Drea:** Are you against offtrack betting?

**Mr. Haggerty:** Is the minister's mother still going down to Fort Erie?

**Hon. Mr. Drea:** I'll tell you, if she weren't, you wouldn't have to worry about offtrack.

**Mr. Haggerty:** I know the minister kept that promise.

**Hon. Mr. Drea:** You stayed there and did nothing.

**Mr. Haggerty:** I never attend the racetrack.

**The Acting Speaker (Mr. Cousens):** Order.

**Hon. Mr. Drea:** You did nothing to save an industry in the town—

**Mr. Haggerty:** What does the minister mean, I did nothing?

**Hon. Mr. Drea:** You did nothing.

**Mr. Haggerty:** I have to give the minister credit. We did meet with him and the mayor of Fort Erie.

**Hon. Mr. Drea:** You never met with me.

**Mr. Haggerty:** I certainly did, but I will not get into that argument. He had no other choice but to go in and give them some assistance or the next place would have been Woodbine losing the track. That is what would happen if there were offtrack betting. Eventually everything would be run from the American side. They

have control of almost everything over here now. Where is Taylor now? He still has some of the top studs down in Kentucky.

**Hon. Mr. Ashe:** Speak to the principle of the bill.

**Mr. Nixon:** Speak to your colleague about the principle of the bill.

**Mr. Haggerty:** That is right. I suggest that if we were to get into the area of offtrack betting, Fort Erie would no doubt close its doors because it would be operating out of Woodbine. The minister knows that.

I support the bill in principle but there are other areas where we can improve and encourage horse racing at the tracks in Ontario. Perhaps there is more we can do to get the owners and the breeders involved in the smaller tracks in Ontario.

4:50 p.m.

**Mr. J. A. Taylor:** Mr. Speaker, I am not "the" Edward Plunket Taylor, but I do rise in support this bill, because we have to raise the revenue before we can disburse the revenue. That is good common sense.

I know that horse racing has been compared with the political race. Maybe there is a similarity there. I want to assure my good friend the member for Erie that it is my very firm understanding that the revenue raised through this legislation will be applied to increase the purses. That is fundamental. I think in an area such as mine where we have a very good agricultural community and some excellent horseflesh, a little encouragement should be given to the little guy so he can afford to transport his horses to the track.

**Mr. Laughren:** Harry Parrott and his stable.

**Mr. J. A. Taylor:** That's right. One has to have a little encouragement to transport one's horses to the track. There is just a tremendous interest in many of the rural areas.

I want to assure my colleagues in the House that I received a commitment from the predecessor to the present Minister of Consumer and Commercial Relations that the money would be going to assist with the purses. As a matter of fact, if I am not mistaken, my good friend the previous minister issued a public press release—

**Mr. Nixon:** There sure have been a lot of those.

**Mr. J. A. Taylor:** Yes. That release pledged that these moneys were going to help with the little purses. I see the present Minister of

Community and Social Services (Mr. Drea) nodding his head in agreement. That is what is going to happen with the money.

I am delighted to rise and support my good friend the member for Brant-Oxford-Norfolk and my friend the member for Erie and all the others here who are supporting this legislation so that we can help the little guy take his horse to the track.

**Hon. Mr. Drea:** Mr. Speaker, I want to make a few remarks concerning the entire package of self-help assistance to the industry, and this is the final part of it.

The racing industry, both thoroughbred and standardbred, has never asked for a handout. This is not a tax subsidy. It is not in the form of a grant. In fact, the 98 per cent of the population of this province who do not go to racetracks or parimutuel facilities will never pay a dime into this. As a matter of fact, if you go to a racetrack and you choose not to wager you will never pay a dime.

In 1968, the then Treasurer, the Honourable Charles MacNaughton, developed the incentive, or self-help, program for the industry.

**Mr. Nixon:** The chairman of the racing commission.

**Hon. Mr. Drea:** Not in 1968.

**Mr. Nixon:** No, now.

**Hon. Mr. Drea:** No, he is not.

**Mr. Nixon:** He was until recently.

**Hon. Mr. Drea:** We will come to his history.

Mr. McNaughton as the Treasurer raised the provincial tax, or the takeout, from six to seven per cent and refunded that one per cent to the industry—not to the racetracks but to the horsemen and the people who worked for them, whose means of livelihood are generated entirely by the purse structure.

That program worked extremely well in this province for a number of years, particularly in standardbred, which is the little guy. As a matter of fact, it generated the most rapid growth of standardbred racing and breeding, the farm and the farmer—

**Mr. Laughren:** The little guys I know cannot even afford a swayback nag.

**Hon. Mr. Drea:** It is a pretty active industry in the honourable member's community. I do not think he would like to see it closed. A lot of people derive their livelihood from it, and a lot of people have fun.

It became apparent a couple of years ago that because of inflation and a number of other



factors something else had to be done. I want to compliment the industry, both standardbred and thoroughbred, because it made proposals to the Treasurer—in terms of horsemen, in terms of breeders, in terms of a total package—that I supported.

In this final part of the package, the two per cent tax on the triactor, the moneys do not go back to the racetrack; the moneys go entirely to purses. They are administered by the advisory board of the racing commission, because they are public moneys. Indeed, we can already see the difference at the smaller tracks. I am sure the member for Brant-Oxford-Norfolk is aware of the increased purse structure at Elmira, a small track. I am sure the member for Erie is aware of the increased purse structure at Fort Erie, not just for the August meeting but indeed for the meeting that is going on now.

Ontario has always led in developing a racing industry in Canada. Forty thousand people are now employed by that industry. It is a very significant one in this province. It is a generator of balance-of-payment dollars, since more and more Canadian horses—and when I say Canadian, I mean basically Ontario-bred horses—are regarded as among the finest in the world, particularly in the standardbred field. It is an industry that has come a long way.

I am sure this program, the reduction of the takeout dollar to five per cent, which will be completed next year, plus this two per cent from the date of the budget, will enable the industry and the people in it to grow and prosper.

I would be derelict in my duty if I did not tell the member for Erie, as I have said many times before, that the future of the Fort Erie racetrack is tied up with offtrack betting. I said that at the time I produced this package, which kept Fort Erie open. It cannot stay open indefinitely unless there is offtrack betting.

The federal minister is pledged to bring in a form of offtrack betting, and this government through two throne speeches, plus some things I am going to do in the future, is absolutely committed to it.

**5 p.m.**

I draw to the attention of the House the fact that, because of these rebates, the community of Fort Erie today not only is looking at the racing facility there with renewed vigour but also has developed a tourism package. A community effort has been remarkably helpful already and will be even more helpful in building tourism around what stands as a major attraction in the area.

I have been to Fort Erie and I have taken my mother there a couple of times this year. I note a renewed vigour at that track. There are structural renovations going on. A year ago it was going to close. I said it would not close. It has not closed. It will go on. This government is committed to keeping it open and we have agreement that it will be open and expanded in terms of racing days.

However, practical consideration has to be given to the fact that over the long haul there is no substitute for a much more rationalized parimutuel approach, which is offtrack betting. It is worth remembering this is an industry that did not come for a handout. The industry is purely a self-help one. It is the bettor who puts money through—

**Mr. Laughren:** No free lunch.

**Hon. Mr. Drea:** That is right. There is no free lunch at a racetrack.

**The Deputy Speaker:** The minister should speak to the bill and try to avoid interjections.

**Hon. Mr. Drea:** Contrary to the way some people would like to portray it, it is not a handout. The person who wagers money wants a quality event. To ensure a quality event, the purse structure has to be high enough. Part of the \$1 or \$2 or whatever the bettor contributes goes back into the industry. It is an industry that employs 40,000 people. It is a prime protector of agricultural land, particularly marginal agricultural land.

This culmination of the package the government developed and the Premier (Mr. Davis) announced in January is already beginning to pay dividends in terms of employment and generation of additional dollars.

**Hon. Mr. Ashe:** Mr. Speaker, there were a number of points, issues and questions raised by the honourable members who addressed Bill 81. I would like to summarize and answer the questions.

The first question, asked by both the member for Brant-Oxford-Norfolk and the member for Hamilton Mountain was why the triactor form of betting was decided upon.

There are 24 racetracks operating in Ontario, and the triactor has become a more popular form of betting over the last couple of years. I do not mean it has replaced the traditional bets, the quinella, the exactor or the daily double and so on, but it has grown in popularity and is now offered at 13 tracks in the province.

Beyond that, as the House is well aware, approximately \$55 million was raised last year

through the racetrack tax. The projection for the upcoming fiscal year, as contained in the Treasurer's budget, is that some \$60 million will be raised.

There was an area to be looked at to raise the amount of moneys needed to pass on through the industry, as my colleague the Minister of Community and Social Services recently referred to. This was one area of betting that produced the kind of moneys needed without making an overall increase in the seven per cent take across the board.

The figure that is looked upon in this area in increase, and that was another question that was asked, is an estimated revenue increase of approximately \$2 million in the upcoming fiscal year. I think that has already been identified. This will be turned back through the Ministry of Consumer and Commercial Relations to the industry. It is not additional net revenue to the province. It is going back to nurture, foster and help the industry again take care of itself. That is exactly what it is doing.

The member for Hamilton Mountain mentioned income tax. Of course, this is not really the substance of this bill, but the reference was made that we all know this is taxable income. Of course, we all know this is not taxable income. In fact, if and when the Minister of National Revenue, Mr. Rompkey, in Ottawa decides to make a change to make taxable the forms of winnings, whether they be by lotteries or winnings at the track, as in the United States, then it will be taxable income, but at this time that is not the case. It is not taxable income per se, and it is not considered as a capital gain and, therefore, there is no income tax payable on it.

The member for Algoma brought up the question, "Is this form of betting chosen because more people win big?" Again, I would have to say that is not really the case. Yes, the odds of a big winner are more likely. Not being much of a horseplayer myself, I have difficulty picking one winner, let alone those that come one, two, three, which is the form of triactor betting, so the chances are that the possibilities of larger payouts are strictly because of the matter of numbers and the law of averages. But I would suggest that the extra two per cent on here is not meant to be in any way punitive upon those people who choose to bet in triactor form. The two per cent increase from the traditional seven per cent to nine per cent should generate the approximately \$2 million that is the additional revenue being looked for.

There was a reference from the member for

Erie about the Deputy Premier keeping the promise. Let me assure the member that the Deputy Premier, like all members on this side of the House, will, as always, keep the promise in the months and years ahead.

**Mr. Nixon:** You mean you are going to open up Garden City?

**Hon. Mr. Ashe:** I am sure when new tracks open or old tracks are reopened it will be when it is to everybody's advantage, the communities they are designed to serve as well as the operators who will deem it reasonable to operate them. I think this is a business like any other and has to be looked at in a businesslike manner.

In addition to my colleague the Minister of Community and Social Services who addressed some of the issues vis-a-vis offtrack betting, et cetera, which I see no reason to go over again, I think I have covered all the points made and I thank the members for their support.

Motion agreed to.

Ordered for third reading.

#### TOBACCO TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 76, An Act to amend the Tobacco Tax Act.

**The Deputy Speaker:** Does the minister have an opening statement?

**Hon. Mr. Ashe:** Mr. Speaker, this bill to amend the Tobacco Tax Act will implement the proposals in the Treasurer's budget of May 19, 1981, that established the tax on cigarettes and on tobacco other than cigarettes or cigars as percentages of the retail prices of those products. The tax rates established are 36 per cent and 30 per cent respectively.

Retail prices to which the tax rates are applied will be determined from periodic samples taken by my staff in the ministry and adjusted quarterly, beginning July 1, 1981. Until this new procedure is implemented, the bill provides for an increase in the tax on cigarettes from 1.2 cents to 1.46 cents per cigarette. The tax on tobacco other than cigarettes or cigars is increased from 0.5 cents to 0.7 cents per gram or part thereof. The tax applicable to cigars will remain at 45 per cent of the retail price but will now apply to all price levels.

**5:10 p.m.**

In addition to these budget changes, I have also included an administrative amendment which will allow us to exchange information relative to tobacco tax with the Yukon and the



Northwest Territories. At present, we may exchange information with the federal government and all other provincial jurisdictions.

**Mr. Haggerty:** Mr. Speaker, I want to address myself to Bill 76, An Act to amend the Tobacco Tax Act, and to say that we in the official opposition party are strongly opposed to the bill. The reason is we are opposed to the new mythology of tax in Ontario, the ad valorem mythology that is put forward by the Treasurer of this province. We feel this is not the right way or the right time to move into a new taxation area.

The revenue derived from the tobacco tax on the consumers is enormous. It plays a significant role in revenue producing. Looking at the government's tax record in this area, tobacco tax revenue in 1970-71 generated \$75.3 million, and an estimated revenue in 1980-81 of \$291 million, for a 10-year increase of about 287 per cent. This is an average of about a 28 per cent increase in revenue per year from this particular tax source. This is well above the annual inflation rate.

This indicates it is a tax increase that consumers have tolerated year after year. The prevailing public attitude, which is backed by health reports, is that the habit of using tobacco products is injurious to those who indulge in smoking and should therefore be expensive.

The discriminatory effects on the consumers are considered by many to be intended to restrict the consumption of tobacco, but this is not the case. Recent evidence indicates that more young people are using tobacco products. The ad valorem mythology introduced by this government will only add to the consumer price index and the upswing in the inflationary trend in Ontario, which is already high.

The other area that I am concerned about is the complexity of the administration. We will be placing more onerous record keeping burdens on the retailers. I would suggest this is an area on which the government should have more explanatory notes. What costs will be involved to the retailers to administer this new tax program? It will take additional efforts by the industry to keep the records straight.

I make reference to section 2 of the act. It says: "The section provides that tax will be paid on cigarettes at the rate of 36 per cent of the taxable price determined from time to time by the minister. For tobacco, other than cigarettes or cigars, the rate of tax is 30 per cent of the taxable price determined from time to time by the minister."

When I look at that, I think that means tax officers will be coming in to the retailers and perhaps be bugging them about every two or three months, going through all the records they will have to produce under this new taxing policy. I think it will be a burden for those retailers who are selling a product.

To take another look at this particular area, if they keep putting the price up on any of the goods that the consumer has to purchase, one of these days the government's taxing policies will be putting the price beyond the means of the consumer to purchase and they will be looking for other alternatives.

The Attorney General (Mr. McMurtry) has suggested that we should be easing up on the laws that relate to marijuana. I suggest if the government keeps raising taxes on tobacco it is going to encourage the public to go the other way and perhaps indulge more in the use of marijuana, and it receives no taxes from this source. I suggest to the minister he should be looking at this particular area. He may be pricing himself right out of the market.

I suggest that although there is a health hazard, perhaps some of the tax money he is going to collect could be put into education for our young people on the hazards of smoking and perhaps he could follow the guidelines the Attorney General has suggested in relation to marijuana use in Ontario and throughout Canada.

I suggest we are opposed in full to the new mythology of the ad valorem tax. We look at it as an area where there is no accountability by this government. That means they do not have to come back next year and bring forward a bill to justify tax increases. They can coast along until the next election and then go back to the public and say, "We have not increased taxes since 1981 and we cannot understand what your complaint is." They are adding value over the years as the industry increases the price of the goods. They are adding a percentage tax to that, which we are strongly opposed to.

On that basis, we stand by our original commitment on first reading that we are opposed to this bill on second reading.

**Mr. Charlton:** Mr. Speaker, I rise to speak about Bill 76 and should say at the outset we are not going to do as the official opposition is doing and oppose this bill. We have taken a slightly different approach to the tax bills in this budget. We intend to focus on the bills that are major and have some meaning to the people of Ontario.



I should take a few moments to point out a number of things to the member for Erie. The government's move to more ad valorem taxes in Ontario is not a mythology at all. It is a reality. It has already been a reality in a number of areas and will continue to be so. It is going to become a clear reality in the areas of motor vehicle fuel tax, gas tax, tobacco tax and the other areas they are moving into.

I should point out to the member for Erie that it is not something new. The government has been involved in ad valorem taxes for a considerable period of time. As a matter of fact, even under the act we are dealing with today, as the minister pointed out in his opening statement, cigars are already taxed by an ad valorem tax which is a percentage of the retail price. They have been for several years.

In the year in which the ad valorem tax on cigars was created, the members of this caucus stood in the House and opposed that change in tax structure while the members of the Liberal caucus supported the government in its move to an ad valorem tax on cigars. So the Liberal critic should take the time to be consistent in terms of his party's position on revenue matters such as ad valorem taxes on tobacco.

We are not opposed to taxing cigarettes and pipe tobacco in the same fashion they allowed the government to tax cigar smokers. We just want to see all tobacco users dealt with fairly and equally, because we no longer have the ability to stop this government from doing it that we had two years ago in the minority situation.

However, we do have some concerns about the government's approach. I think we would have preferred to see the government leave the tax on cigarettes, pipe tobacco and tobacco for other uses on a flat rate tax so that, as the member for Erie suggests, the government would have to come back to this Legislature on a regular basis to gain approval for increased taxation.

We would also have preferred to see it go back to a flat rate tax on cigars so all smokers were, in effect, treated fairly and equally. For this reason, since the government is not prepared to go back to a flat rate tax on cigars, we are not prepared to oppose the particular amendment this year, because we want to see all smokers dealt with equally.

**5:20 p.m.**

On the other hand, I want to express some concerns about the potential effects of this tax—not on smokers either—but on the industry which produces tobacco in Ontario. The

Minister of Revenue and the Treasurer are well aware that the tobacco farmers in Ontario have had some pretty lean years over the past four or five, perhaps even six, that I am aware of. The tobacco farming industry in this province used to be a particularly lucrative industry. The movement in the province to ad valorem taxation on tobacco products—wherein the taxes will continually go up as the retail price goes up as the costs of production and sale go up—along with educational efforts and health related publicity campaigns in the province, in the long run are going to do serious damage to the tobacco growing industry in Ontario.

I am not necessarily opposed to that happening, but I want to suggest that the government should well be aware it is contributing to that process and speeding the process up by its approach in this tax. At the very least, it should take the approach it rarely seems to take with any taxation or economic approach, of relating that action to the other things that are going to happen in our economy as a result of it, and it should take the time to provide us with the planning and the long-range view of what it proposes for some rather major tracts of farm land in southwestern Ontario when eventually the tobacco industry in this province goes down the drain.

**Mr. Nixon:** Mr. Speaker, as has already been noted by the previous speaker, much of the best tobacco grown anywhere in the world is grown in Ontario, more specifically, in the Delhi area, which I have the honour to represent. I think we should be aware that, with a flick of the Lieutenant Governor's pen, assuming this bill is put before him for assent, the provincial Treasury will be making far more out of the tobacco plants than the farmers will be making themselves. When we think of the risk and commitment of capital, the hard work from dawn to dusk and then some, it seems somewhat unfair that, in fact, with the increase in the tax, particularly when it becomes automatic as is going to be the case with this new taxation methodology, the farmers themselves are going to take a reduction in the amount of money available to them. At least, there is a substantial fear that this will be so.

I was interested to see that the Treasurer is predicting a revenue of \$350 million this year. One of the figures this can be compared to is the total amount the Treasurer is allocating for support of the whole agricultural industry in this province, about \$191 million. The revenue from the tobacco tax then far exceeds the amount of



money put back in support of the total agricultural economy of the province. A good deal has been said already. I am very glad that the parliamentary assistant (Mr. McNeil) to the Minister of Agriculture and Food has come into the House, because I have often felt that between the parliamentary assistant and the minister, we as farmers should get a better deal from the Treasurer and his colleagues.

Much was made in the previous bill of the idea that the additions from the racetracks tax were going to be ploughed back into the industry for the improvement of the courses and the purses. We certainly would be more than satisfied if a more substantial percentage of the revenue from the tobacco tax were made available for farm programs that would enable our farmers to compete on a fair and equitable basis with the farmers from other provinces and nearby states. Such is not the case, because the shortsighted policy of this administration means that the allocation of the revenues from the tobacco tax and other taxes directly related to the farm economy are not returned to the farms on any kind of fair and equitable basis.

I think we should be aware that the tobacco industry is relatively new in Ontario, and that from very small beginnings the tobacco farmers here have got to the point where the quality of their product is probably as good as or better than that of tobacco grown elsewhere in the world. Those of you who are fortunate enough to drive through the Delhi-Tillsonburg area leading down in towards St. Thomas—

Interjection.

**Mr. Nixon:** Simcoe, yes—will find that those farms are among the very best in the province.

Much has been said about problems the tobacco farmers have experienced in recent years. A disease we have never had in Canada, blue mould, struck two seasons ago and necessitated another expensive and elaborate procedure of spray control. I well recall the situation: the blue mould actually struck at the same time Joe Clark had briefly taken over the administration of the government of Canada. I often felt they were related for some reason, because once the people saw the light and returned the previous administration, the blue mould was brought under immediate control.

**Hon. Mr. Ashe:** You have your tongue in your cheek.

**Mr. Nixon:** Well, I relate the two. The minister seems to think that is a bit far-fetched, but all you can do is to look at the facts, Mr.

Speaker, and there you are.

The farmers had to face not only a tremendous reduction in revenues but really ghastly personal pressures when they saw their crops literally withering before their eyes as this strange disease, imported from the southern states because our borders were improperly guarded by plant inspectors, simply laid waste their crops.

This did not affect the government's take, because there was sufficient tobacco in storage and more was purchased from other areas so that tax revenues were maintained. There was some additional assistance through crop insurance, which was certainly appreciated by those directly affected, although the farmers got no payout at all, of course, if they had not paid for the insurance in the first instance.

I want to join with my colleagues and others who have criticized the government's use of the ad valorem approach to this sort of taxation. Even the concept of evaluating the retail price four times a year is going to be a bit unfair. It seems to me that the government is somehow or other simply going to pick a figure out of the air and say, "We are going to charge 30 per cent of that as the tax."

The minister is shaking his head, but the alternative, I suppose, would be a very elaborate and costly addition to the bureaucracy in which the prices would be monitored on a continuing and regular basis. Anything else means they are simply going to charge an ad valorem figure on some amount they think is fair without any kind of adjustment. It is simply going to maximize revenue and continue to make things tough for the farmers.

I must say that in spite of the problems the tobacco farmers have experienced—and I have related just one of them; I perhaps should say something about the tornado that devastated this area a couple of years ago—still they are, to be fair, among the most prosperous farmers anywhere, with the possible exception of a couple of bee farmers in the Elgin area who, I understand, continue to do better than average.

Certainly if you were to drive through the tobacco areas, Mr. Speaker, you would see the epitome of good farming practices: the soil there, which used to be blowing sand, has over the years been tied down with good reforestation and crop rotation principles. There is not a thing out of place. Not a weed is allowed to shove its nose above the ground, and I must say the farmers are a credit not only to themselves but to the whole community.

5:30 p.m.

**The Deputy Speaker:** Mr. Stokes wants to know if you are speaking to the bill.

**Mr. Nixon:** On the basis that the bill is going to increase the taxes on the tobacco that my constituents are growing, and that it will interfere with the possibilities of them maximizing their own revenues and the fact the basic principle moves from a fixed figure to an ad valorem approach, we cannot support the bill. I would hope the other members of the House would follow our example in opposing it.

**Mr. Wildman:** Mr. Speaker, I rise to participate in the debate on Bill 76 and to say that I am not necessarily opposed to the increase in taxes on cigarettes, especially if this could be seen as an attempt to try to deal with some of the health problems resulting from the smoking of cigarettes, despite the fact that my colleague, the member for Hamilton Mountain (Mr. Charlton) has just gone out for a smoke. Frankly, I cannot see it that way and I do not think the minister would argue that this bill is an attempt to deal with the health problems that might occur because of smoking cigarettes.

I think the member for Brant-Oxford-Norfolk would agree that when this government increases the tax on cigarettes it is an attempt to raise the revenue of the provincial government. It is interesting to note that at the same time it is doing this, the government is saying it has to increase OHIP premiums by 15 per cent. This is really having it both ways. To say we are going to make money from the sale of cigarettes—and for that matter alcohol or whatever other commodity may or may not be pleasurable but may add to our health problems—and to increase those taxes in an attempt to raise more revenue and then to say because of the large number of people who require health care in Ontario we are going to have to tax them for their health care and increase the taxes in that area too, is really to have it both ways, which this government is attempting to do.

I am concerned about the whole approach taken to increasing the tax on cigarettes because it appears to me, and the minister can correct me if I am wrong, that as a result of the increase in taxes, especially on cigarettes, Ontario will now have the highest taxes on cigarettes of any province in the country, except Newfoundland. According to my information, this province will now be the only province using the ad valorem approach to taxing cigarettes as opposed to cigars, which have been taxed on an ad valorem

basis for some time.

The immediate tax increase from 1.2 cents to 1.46 cents is much higher than any other province. According to my information Newfoundland's cigarette tax is two cents per cigarette, the only province with a higher tax. Every other province is lower; some substantially lower.

In New Brunswick, Nova Scotia and Prince Edward Island the tax is one cent per cigarette; Quebec is 1.08 cents per cigarette; Saskatchewan is 1.32. The western provinces use a much different approach: Alberta charges eight twenty-fifths of one cent per cigarette. British Columbia is twenty-four twenty-fifths of one cent per cigarette. Manitoba is 1.2, which is what the rate used to be in Ontario. If those figures are correct, then that makes us the highest taxed in terms of this commodity of any province with the exception of Newfoundland.

When one considers, as the member for Brant-Oxford-Norfolk pointed out, that we are the largest producer of tobacco in this country and that we are charging more taxation on the finished product than any other province except one, we must wonder at the real purpose.

As I said at the beginning, if the purpose is to cut the consumption of cigarettes because of some concern over health and the cost of health care in this province, fine, but it appears to be simply an attempt to make one more tax grab from the consumers of this province. We are using an ad valorem approach to profit from inflation, because that is really what ad valorem is all about. If the price goes up, then the government gets more from taxation.

In his budget speech, the Treasurer made the comment that this was an inflation budget, that these were inflationary times, although he did not have much to say about inflation. The Treasurer is attempting to say that since we are in inflationary times, let us forget about trying to deal with the problem and live with it; not only let us live with it, but let us profit from it. Let us make as much money as we can from the consumers of this province.

I wonder how the Minister of Revenue can justify that kind of approach. It seems far more equitable to tax cigarettes in the same way one would tax other tobacco products such as cigars. Since the government has gone to ad valorem on cigars, they might as well go to ad valorem on cigarettes. When one considers the other tax measures that were included in the budget such as the ad valorem tax on gasoline one must wonder what will be the next ad valorem tax to be brought in by this govern-



ment. For instance, instead of eliminating or cutting the sales tax do we face an ad valorem type of sales tax at some future date? That would be a retrograde step.

I understand from these figures that the tax changes on cigars will give us one of the highest, if not the highest, taxes on cigars in the country. If that is not correct, I would appreciate it if the minister would tell me. That seems to be the case from the figures I have been presented with. We feel taxation on tobacco products should be equitable. One type of consumer should not have to pay unfairly.

We cannot accept this kind of tax grab, profiting from inflation—in fact contributing to inflation—as the route we feel a responsible government should take. We will certainly be expressing our views on that when we deal with the gasoline tax.

**Mr. McGuigan:** I rise to join this debate on Bill 76, An Act to amend the Tobacco Tax Act. I do so because my riding of Kent-Elgin is a producer of three types of tobacco. In the Kent county area, we produce burley tobacco. To explain that to members who are only familiar with flue-cured tobacco, in the burley situation we harvest the whole plant. These plants are hung in very large barns that dot the countryside, mostly in Kent county. We also grow black or dark-fired tobacco. As the name implies, it is a very dark colour and is used largely in chewing tobacco. I think it is more often used by people who work in mines, in mills and forestry products industries.

**Mr. Ruston:** Baseball players.

**Mr. McGuigan:** Baseball players, right.

**The Deputy Speaker:** We are working towards the bill, are we? Is this the preamble to the bill?

**Mr. McGuigan:** Yes. It is used by people who cannot use tobacco when it might set fire to their environment. We also grow the flue-cured, or Virginia tobacco in both parts of my riding—that is, Kent and Elgin.

**5:40 p.m.**

I rise to speak against the principle of using an ad valorem system in a world in which we all recognize the dangers of the inflationary spiral we are in. It has changed us from a nation of savers to a nation of speculators. Rather than working hard and putting aside a bit of money to invest in production or for our old age, the prudent person today takes the money and speculates with it. He can make more money buying houses, as happened in Toronto very recently, or in buying land or in any number of

paper transactions that add nothing to production or to our well-being or the raising of our standard of living. It seems to me the government, by choosing this method of taxation, does harm not so much in actual method as in the symbolism, showing that the government has given up the fight. In fact it has a proprietary interest in seeing that the pace of inflation runs merrily along. So I oppose this measure.

To give an example, there is now an opportunity in the burley tobacco industry to double our acreage. It is something like 1,200 acres—it is a very small acreage—on which we are growing burley tobacco. There are overseas markets that would allow us to double that. At the present cost of putting up a tobacco barn, it takes about a \$20,000 barn to house three acres of tobacco. The economics of it are that one simply cannot build a barn to take care of this increased production and these increased opportunities. The Burley Tobacco Growers Marketing Board has petitioned the Minister of Agriculture and Food (Mr. Henderson) for assistance in building barns.

I mention this to show the real effect that inflation has upon our producers. They must each year sit down with their suppliers and with the agents who buy the tobacco and hammer out an agreement. This must be done on an annual basis. The tobacco people right now, I believe, are meeting with the tobacco buyers and are hammering out an agreement. They do not have an automatic system whereby the price of the tobacco goes up as the costs of their input and of inflation go up. Those people feel particularly aggrieved when they see taxes tied to this system which give the government an automatic and proprietary interest in seeing inflation move along. They are very upset and angry about it. I wish, on their behalf, to make their views known to the government.

**The Deputy Speaker:** Before Mr. Laughren commences, I want to point out to members that sometimes there is an undue din of conversation. If you could keep your voices down, I know the members would appreciate it.

**Mr. Laughren:** If I read this bill correctly, and I am sure the minister will correct me if I do not, it would technically allow the minister—I am not saying this is the intention—to establish a different set of prices on which the tax would be based in the different regions of the province. It would technically allow—

**Hon. F. S. Miller:** No, it would not.



**Mr. Laughren:** Yes, it would. It says, "The minister shall use the median price obtained by him from such periodic sampling as he considers appropriate of the retail prices of packages of 20 cigarettes in such part or parts of Ontario as he shall direct a sample to be taken." Technically, I believe, the tax could be based on a different taxable price in different parts of the province. That is one of my concerns. It should be on record by the minister that this is to be a uniform tax across the province. I can see a situation where if the minister so chose he could establish a different one in northern Ontario or any other part of Ontario where the selling price might be higher. There are a number of us who would be reassured if the minister, in his response, would make that clear and state those are not, and never will be, the intentions of this government.

The other aspect of the bill that is so worrisome is the new trend. To my understanding it is a new trend for the government to plug in to rising prices this way in the collection of taxes. For many years, it has been editorialized across this country that governments profit from inflation—if governments can indeed profit—because the higher the rate of inflation, up go the revenues to government even though indexing takes away part of it.

Look at the provincial level. Is there any question the higher rate of inflation increases the sales tax that goes to the consolidated revenue fund of Ontario? There is no question about it. It seems to be an automatic thing. Now we are having a scenario built into bills like this, like the fuel acts; there is quarterly indexing to inflation because the minister has indicated this is going to be done quarterly. We now have not just an overall increase in provincial revenues because of inflation, but a deliberate indexing of inflation to increase tax revenues.

The obvious, blatant example is the fuel tax. I would ask members to think about it in terms of the tobacco tax as well. It is not just because of the commodity, in this case tobacco, but the principle involved of government plugging into inflation on a quarterly basis. It is ensuring inflation will take place, that as inflation goes up and prices go up, government revenues will go up as well. That is something new. If I understand taxation at all in Ontario, it is new to the province.

**An hon. member:** Except for cigars.

**Mr. Laughren:** Except for cigars, yes. I think the member for Fort William (Mr. Hennessy) has had his lobby at work to make sure it does

not happen to cigars.

I would ask the minister to respond in two areas. One is the whole question of regional pricing and the second is to lay out before us his rationale and justification for plugging into the rate of inflation in such a blatant way as the quarterly indexing the government is now doing.

Does the minister think that is appropriate for all levels of government? What about at the municipal level? Should that be done there? Would he be satisfied if the federal government was doing the same thing in all sorts of areas as well? What about people who are in receipt of income from various levels of government? Should they receive it in an indexed form on a quarterly basis?

Once the government establishes that principle of plugging into a quarterly increase as prices go up, the principle is established and groups out there will have every right to claim they should be treated the same way in the moneys they get as the government is in the moneys it collects through its tax collection process.

The government is breaking new ground and is not particularly anxious to talk about it in a public way. It is not anxious to have people out there understand this is a new principle the government is using to ensure increases in revenues as the rate of inflation increases.

The government is big on issuing press releases about everything from cutting ribbons to nutritional grants but it shies away from any publicity that ties it in with benefitting from the rate of inflation in Ontario. I hope the minister, when he replies, will address himself to those problems.

**5:50 p.m.**

**The Deputy Speaker:** Is there no further discussion? Oh, there is.

**Mr. G. I. Miller:** Mr. Speaker, I would not want to miss this opportunity. The Treasurer is around collecting money. I can see why he has been appointed the Treasurer for Ontario. He says he is keeping the promise this time because it is going to a good cause—the Rotary Club in Bracebridge—and he has guaranteed that a Liberal might win the car.

The real thing I would like to speak on today is the tobacco tax, which is going to create considerable hardship in the tobacco industry and also contribute to inflation in Ontario. I think it is regressive. After all, tobacco farming is one of the progressive farming industries in Ontario. It uses class-five land. I see the Minister of the Environment (Mr. Norton) is sitting in



his seat. I wanted to make clear the land he is using in South Cayuga is class one, two and three land. The potential there is just as great if only it could be turned around to produce other crops that would contribute to the economy of Ontario and Canada.

Tobacco contributes something like \$240 million to our total economy. We export about 40 per cent of the amount that is produced. According to the Ontario tobacco board, the overall tax contributed to both the federal and provincial governments is something like \$1.5 billion, which is split about equally between the two government levels.

So the honourable members can see that tobacco is a very important industry; it contributes so much to our total economy. It is like the old story that if you kill the goose that lays the golden eggs you will not have that income.

Before the election the government was giving away something like \$350 million, and with one stroke of the pen they take \$50 million out of the tobacco industry as soon as the election is over.

When we compare the tax in Ontario—and I know it has been compared by the NDP to taxes in the other provinces in Canada—Ontario will have the second-highest tobacco tax. It leads to the illegal transport of cigarettes from other provinces into Ontario—that has come about within the last few days. It contributes to crime and misuse of our funds.

Again, if the government is going to impose this tax—and I think the parliamentary assistant to the Minister of Agriculture and Food comes from a tobacco area—then it should return the money to the farmers to give them interest assistance or programs of funding so they can continue to farm. Several farmers in the tobacco industry have come to me only within the past few weeks. They find they are in financial trouble because of the high interest rates. I think this government should show some leadership by using that money more wisely.

We are going to oppose the bill, as our critic indicated, and it gives me a lot of pleasure to speak on the bill today.

**The Deputy Speaker:** Any further discussion?

**Hon. Mr. Ashe:** Thank you very much, Mr. Speaker. There have been quite a number of points raised concerning Bill 76. Running generally through all of the discussion brought up by the honourable members is this great revelation that the ad valorem method of taxation is something brand new, something that was just thought up and never happened before. Of

course that is not the case at all. As one of the honourable members in the third party pointed out, there has been an ad valorem tax on part of the tobacco industry, namely cigars, for some years. This bill is bringing in some uniformity.

Many other forms of ad valorem tax have existed for many years—for example the sales tax, which in itself is ad valorem.

**Mr. Haggerty:** It is indexed.

**Hon. Mr. Ashe:** That was brought out, too. I do not know why the member opposite would suggest it is indexed. If he pays for something that is dutiable in terms of sales tax—if it is \$500 today he pays \$35 and if it is \$600 next year he will pay \$42. That is ad valorem. So there is nothing new about the principle.

I would suggest that possibly we need a little form of education for some of the honourable members about taxation and the basis of taxes, even what the existing taxes in this province are all about.

In his remarks earlier in the debate, the member for Erie was talking about health costs. Frankly I would agree this is not the main thrust. There is no doubt that indirectly one of the reasons this government needs more revenues is to continue to add to the great benefits and the plans and expenditures of this government on behalf of the health care system. Anything that adds to revenue in this area is not untoward at all. An additional \$50 million is anticipated in the upcoming fiscal year relating to the increase as proposed in Bill 76. There is nothing magical about that.

There was also quite a legitimate reference to the extra work and the extra bother and the extra expense to the retailer in administering the ad valorem tax on tobacco. Let me again bring the honourable members up to date. Since 1966 the retailer has not been administering any tax basis as far as tobacco is concerned. As a matter of fact, when we tie in these two, there was formerly an ad valorem tax on tobacco products because it was under the Retail Sales Tax Act until 1976. One of the reasons it was moved away from the retail sales tax at that time was to take away from the local retailer not only the detail but the administration costs that went along with keeping the records.

At that time it was moved to the wholesale level and so we are dealing as a ministry with 140 wholesalers within Ontario. I would suggest that is quite manageable and will not impose any great additional work load upon them. Again, we are going back to—and I want to emphasize back to—an ad valorem tax on tobacco; it did

exist up until 1966. At that time it was being administered and collected on behalf of the province by the retailer.

Interjections.

**Hon. Mr. Ashe:** You don't want a division now?

Again, tying in with health costs, as was also mentioned, I would suggest that comparing taxes and a tax rate on tobacco and suggesting that this imposes a great burden on the average person is not very realistic. Whether one smokes or drinks, for example, really is a matter of choice. It is not imposed upon anybody. I do not think any honourable member would argue that it is one of the necessities of life that one does or does not have a cigarette, have a cigar or smoke a pipe. Some may feel that way, but—

**Mr. Nixon:** Only a nonsmoker would talk that way.

**Hon. Mr. Ashe:** Only a nonsmoker would talk that way—I would agree.

**The Deputy Speaker:** Do we know what we are doing?

**Hon. Mr. Ashe:** Mr. Speaker, I don't know whether all of the honourable members are satisfied—

**Mr. Nixon:** I think you have answered all the questions.

**Hon. Mr. Ashe:** Okay. I think I have covered most of the items. Again, this is not new.

Let me just assure the member for Nickel Belt the basis for establishing the base rate will be done in the same area as to establish the base rate for gasoline. It will be one rate throughout the province. In fact they will have the advantage of volume in southern Ontario.

**The Deputy Speaker:** Hon. Mr. Ashe moved second reading of Bill 76, An Act to amend the Tobacco Tax Act.

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

Ordered for third reading.

The House recessed at 6:01 p.m.



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Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary  
for Justice (London South PC)

Welch, Hon. R. S.; Minister of Energy (Brock PC)

Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)

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Ontario LEGISLATIVE ASSEMBLY

No. 35

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Tuesday, June 2, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Tuesday, June 2, 1981

The House resumed at 9 p.m.

## GASOLINE TAX AMENDMENT ACT

Hon. Mr. Ashe moved second reading of Bill 72, An Act to amend the Gasoline Tax Act, 1973.

**Hon. Mr. Ashe:** Mr. Speaker, this bill contains amendments to the Gasoline Tax Act to implement the proposals in the Treasurer's (Mr. F. S. Miller) budget of May 19, 1981, in which the tax on gasoline is established as a percentage of the retail prices of each grade or type of gasoline at a rate of 20 per cent.

The adjustments to the tax base will be established through samples of retail prices gathered by staff in my ministry and will be made on a quarterly basis beginning July 1, 1981. Until such time as this new procedure is implemented, this bill makes provision for an increase in tax from 4.6 cents per litre for all grades to 5.4 cents per litre for regular leaded gasoline, 5.8 cents per litre for regular unleaded gasoline and six cents per litre for premium leaded or unleaded gasoline.

The tax applicable to aviation fuel will continue to be 1.32 cents per litre. However, this bill makes provision that once a taxable price has been prescribed for diesel fuel under the Motor Vehicle Fuel Tax Act, aviation fuel will be taxed at 5.13 per cent of the taxable price per litre of diesel fuel used to propel motor vehicles. Effectively, this is a rate of 19 per cent of the tax payable on diesel fuel.

**Mr. Haggerty:** Mr. Speaker, I want to address myself to the act to amend the Gasoline Tax Act, 1973, known as Bill 72. I rise to speak on the bill and, in particular, to put forward the viewpoint of the official opposition, the Liberal Party. We want to raise some objections to the procedure the government has taken at the present time of adding a new tax procedure, the ad valorem tax. The explanatory note spells it out, "The bill implements the proposals in the Treasury budget that the tax on gasoline be established as a percentage of the retail prices of each grade or type of gasoline."

After having looked at that, I can say the consumer has been taken again. The imposition of any tax, either by the federal or the provincial

government or by the municipality, is of a nature closely guarded in our society, and any proposed changes in taxing statutes must be questioned with deep concern for the welfare of the citizens. To ensure that any tax increases do not become a burden on the majority of the citizens, one must ensure that new tax structure changes such as the Treasurer's new ad valorem principle do not add additional inequities.

The proposed new tax surely indicates that inequities are built into it. The proposed tax enrichment on this particular commodity, the piggyback approach on crude oil pricing per barrel cost, is projected to increase at over \$4.50 a year until 1985, with a compensation cost put in there to assist the eastern provinces because they pay the world price for oil.

The Liberal Party cannot support the new tax approach. The Treasurer has singled out an individual sector of the economy, the wage earners, the family supporters, to carry the full burden of Ontario's tax increases. The Treasurer has not missed an area for obtaining additional revenue. There were no promises during the last provincial election campaign that tax increases would be an issue if there were a return to majority government.

I cannot recall the Premier (Mr. Davis), going through the province keeping the promise, telling the people there would be no tax increases. I suggest one follows the speech given by the Treasurer on January 27, 1981. He said: "Since 1975, Ontario has held firmly to its policy of disciplined budgeting centred upon expenditure control and reducing the government's claim on the economy. This has created the flexibility to finance both demand and stimulation measures I announced in my mini-budget and the \$750 million BILD startup fund."

I listened to the Minister of Revenue (Mr. Ashe) before the dinner break when he said the sales tax is an ad valorem tax. I do not think it is. I think he has indexed it. As the price of that commodity goes up, he increases his taxes. If one looks at the retail sales tax, in 1970-71 it was \$674.2 million. That was the last year this government came in with a balanced budget and a surplus.

The revenue in 1981-82 for the retail sales tax



is expected to be \$2.831 billion, a 320 per cent increase or an average of about 29 per cent per year over the 11-year period of this Conservative government. I suggest the minister does not need an ad valorem tax. He is generating sufficient revenue in that area as it is indexed to the cost of the goods being sold to the consumers.

The Treasurer also said: "Looking back on the record, I can say that we have met our fiscal objectives. First, the provincial public sector has been cut back. Second, spending has been pruned and essential priorities maintained. Third, the deficit has been reduced in size." I cannot see where it has been reduced in size. "Fourth, major tax increases have been avoided."

That was before the provincial election of March 19. There was no indication this government was going to bring in about four proposals for enormous tax increases that would hit the average wage earner.

I am delighted to see the Premier is here tonight because I am going to quote from his speech given to the Canada-United Kingdom Chamber of Commerce on September 29, 1979. He said: "There may be evidence that the price increases we have experienced are encouraging more energy efficiency in our society. However, there is no honest consensus that significant oil price increases by themselves lead effectively to reduced consumption."

I recall the Premier was in in St. Catharines in the Niagara Peninsula on Saturday or Sunday of this past week—

**Hon. Mr. Davis:** It was Sunday after church.

**Mr. Haggerty:** After church, was it?

**Mr. Nixon:** It was after Sunday school.

**Mr. Haggerty:** After Sunday school. He said he was defending the tax—

**Hon. Mr. Davis:** And the Lord's Prayer.

**Mr. Haggerty:** You need it.

He was defending his government's tax increases by saying the purpose of the gasoline tax and the fuel tax was to conserve energy.

Interjection.

**Mr. Haggerty:** It has that effect.

**Hon. Mr. Davis:** That is what the member for London Centre (Mr. Peterson) said.

**Mr. Haggerty:** No, that is not what the member for London Centre said. Here the Premier is telling us one thing so I question that. The only thing we do know, quoting again, is that, "A massive increase in the price of oil can stall economic activity and slash employment

growth." How often have we heard this? "To choose that course when other options are available would be tantamount to restoring bleeding as a medical cure-all."

"I am not about to make any firm prediction about what final determination on this issue will be made in Canada. Nevertheless, we continue to stress that if we move even close to world prices next year without basic economic changes, immeasurable damage could be done to the Canadian economy."

**9:10 p.m.**

"Surely inducing a recession in Canada is not in your interest, as it is certainly not in ours. Fortunately, the options before the federal government are much more manageable. It has the fiscal and constitutional capacity to permit only moderate price increases." I think the federal government has moved into that area. "Also, it can allow prices to rise at a faster rate and capture the windfall profits which would accrue to the petroleum industry in the producing provinces."

When I look at the statement and the words "windfall profits," I am sure with the ad valorem tax this government is going to get windfall profits every time the price of crude oil increases under an agreement with the federal government and the province of Quebec.

"Few of these approaches could be designed to allow the economy to grow and to protect personal income."

**Mr. Bradley:** He is part of the conspiracy over there.

**Mr. Haggerty:** Part of the conspiracy is right.

One has to question the credibility of this government. One can talk to persons who are in the oil industry. I have talked to the federal government concerning the surplus of gasoline and I have raised the question with the minister concerned about the dumping of gasoline at the ports of entry into Ontario. I have not been able to get a clear-cut answer from him about this particular area, but it seems we have a surplus of gasoline in the province and it is being dumped in areas such as Fort Erie.

There is one gas dealer in Fort Erie whose gross return for a month of selling gas in that area is \$2.5 million, larger than almost all the gas stations in Ontario combined.

We have a surplus of gasoline and we can afford to dump it in these areas. I think the purpose of that would be so that both levels of government can maintain their tax revenues. There is no other cause for it. It is not because of

the tourists who are coming over. I cannot blame the Americans for coming over because they are getting a bargain. It is about a \$9 saving on every tankful of gas.

According to the Buffalo Evening News, a study shows that Canadian gasoline is losing its big price edge. With the recent tax increases at the federal and provincial level, they are only going to be able to save about \$3.50 on a tankful, but \$3.50 is a great saving to a wage earner.

I am saying to the Premier and to the government members that they have permitted this to continue. There is not one offer from this government in any of the tax revenue increases to put the money back to guarantee to the citizens of Ontario, those persons who use it, that we are going to have a secure supply.

In 1974, we had a new Minister of Energy and there was a great fanfare at that particular time. He described what the government was going to do to preserve and guarantee secure supplies of energy for Ontario. They were going to invest \$100 million in the Syncrude project. Just recently, within the last year or so, they sold out that interest and cannot guarantee a supply of crude oil to Ontario.

In a sense, this may have offended Premier Lougheed. This government shows no interest in the energy problems of Canada and it has even withdrawn its support of Syncrude. They cannot have it both ways. They made \$25 million out of it, but we have not seen the return to Ontario from that as yet.

Now we have this particular bill before us today in which the government wants us to endorse additional costs to the taxpayers and the gathering of more revenue. There will be no limit to this. One of the reasons this party is opposing the ad valorem tax is that there would be no accountability next year or the year after that. They have got it made, because they are going to increase revenues year after year without coming to this Legislature to explain the just cause and the reason for that increase. They will get windfall profits that will fall upon this government of Ontario.

When I look at the government's record for the past 10 years, and the expenditures and revenues generated by all areas of taxation, I can see that they have done well by it. They have increased their revenues in almost every area of taxation by an average of about 28 per cent per year, well above the inflationary trend.

I suggest that this bill will add to the inflationary cost to wage earners in Ontario. I can rest assured that they will be going to the bargaining

tables this year demanding higher wages to compensate for the tax increases. The government gains nothing by it. Yet the wage earner in Ontario is being criticized and chastised by all levels of government because he is the culprit in demanding higher wages, adding to the inflationary costs. This is not true. Governments are perhaps the biggest culprits in this area by overtaxing the citizens of Ontario.

I think all the tax increases the government is going to bring about in this session of Parliament are beyond its needs. There is no need to increase taxes and hit the taxpayers in this category. For example, the Treasurer has pointed out, "Most other provinces have moved to this calculation for fuel taxes, and further, because of the rate of inflation Ontario's share of such taxes has been falling with fixed rates."

That is not so. If we look at the government's budget statements year after year we can see that they have increased their revenues because of the inflationary costs of things. They have been able to index the sales and tobacco taxes. All of these things have added revenues to the province without bringing in further taxes.

Because of the rate of inflation Ontario's revenue from its motor vehicle tax has increased by 80 per cent over the last five years. Motor vehicle fuel tax in 1977-78 was \$85 million. In 1980, 1981 and 1982 it is \$153 million—a five-year increase of 80 per cent. Gasoline tax, for example, was \$523 million in 1977-78. In 1981-82 it jumps to \$752 million, as estimated by the Treasurer—a 44 per cent increase. I do not have to tell the honourable members that within a two-year period the price of gasoline at the pumps has increased almost 100 per cent.

The minister has mentioned the cost per unit of unleaded and leaded gas. This is another area in which this government has failed to protect the consumer. The former Minister of Consumer and Commercial Relations (Mr. Drea) is not in the House tonight, but I recall my dialogue with him in debates on that particular area. There is perhaps no need to have unleaded gas in automobiles today. We are using smaller engines. There are smaller problems with the environment—pollution, and so on. I can recall his letter to me—I raised the question in the House—and he said the reason why there are two different prices in unleaded gas—there is unleaded gas and super unleaded gas—is that there was a breach in the agreement between the automobile industry and the gasoline industry as it relates to the type of combustion, the ratio of high octane used in automobiles. They



had reached an agreement that a certain engine was supposed to burn a certain type of gasoline. There was a breach anyway, and because the car industry did not make that engine burn the unleaded gas, we had to go to another blend, a super leaded gas, at an additional cost to the consumer. These are the areas this government should be checking to find out if there is a ripoff of the consumer.

**9:20 p.m.**

I do not have to tell you about the federal report relating to petroleum, Mr. Speaker. It said that much of the evidence submitted to the commission focused on the predatory and restrictive practices pursued at every level of the industry by the major integrated petroleum companies during the period from 1958 to 1973 as a means of reducing competition and a chance of enhancing prices to the detriment of the Canadian consumer.

Everything seems to relate to the consumer, and yet this government has not come through to provide some protection in this particular area. That indicates there has been a ripoff here. This government, through the price of crude oil, has jumped on the bandwagon with Mr. Lougheed now. I do not know what position the Premier has taken now. For a while he was critical of the Conservative federal government for coming in with a high excise tax. He thought that was going to kill the economy of Ontario. The economy was going to drop right down. If anybody defeated the Tory government in Ottawa it was this government here by its reaction to their proposed budget, particularly to the increases related to petroleum costs.

I suggest that one minute the Premier is charging down to Ottawa and saying, "Do not give in to these fellows in Alberta," and the next minute he is coming back here and in this budget jumping on that bandwagon. One would think he is a member of the Organization of Petroleum Exporting Countries, wanting to get whatever the traffic will bear, whatever the consumer will bear, in this particular commodity. He socks it to them. This is what he does. I do not know how long the consumer is going to sit back and take it. I do not think it will be too long. A day of reckoning is going to come when the public will say, "We have had enough." I thought they had had enough in the 1981 election. I am sure if he had brought these proposals to the public at that time he would not be sitting over there now. That is for sure.

He is playing a game with the consumers of this province. If he gets out and talks to people

in the street they will tell him what I am telling him right now. They have had enough of this business of using the oil situation in Canada. One minute he is saying we have all kinds of it and the next minute that we have not. I suggest he is using the consumers. We find we cannot support this legislation to bring in tax increases.

**Mr. Bradley:** I loved the picture on budget night of the Premier smiling while the Treasurer was socking it to the people of Ontario. They loved that.

**Hon. Mr. Davis:** I always smile. You should learn to do that.

**Mr. Speaker:** Mr. Haggerty, will you continue please?

**Mr. Haggerty:** I am looking for another document here. Since the Premier is here tonight I thought I should quote this one, where he was speaking to the special first ministers' conference on oil and natural gas policy on November 12, 1979. He said, "If a new energy policy is to be credible it simply cannot be used as an excuse to raise billions of new tax dollars for general government purposes."

**Mr. Roy:** Who said that? The Premier?

**Mr. Haggerty:** Yes. "Further, our government is not looking for windfall revenues from higher prices." What does this tell us down here tonight?

**Mr. Roy:** When was that again? Perhaps you had better repeat that.

**Mr. Haggerty:** The special first ministers' conference on oil and natural gas policy, November 12, 1979. Can you recall that?

**Hon. Mr. Davis:** That was before you people wanted the election. That was in 1979.

**Mr. Haggerty:** Mr. Speaker, I was looking for one more note I had with me. I was trying to get it from the Carter commission.

**Mr. Roy:** Give us some more of those quotes.

**Mr. Haggerty:** There are all kinds of those quotes, but I would suggest to the minister responsible for raising revenues for the province of Ontario that we in this party are strongly opposed to this new ad valorem tax policy or tax structure that the government wants to implement and we suggest there are other ways to raise taxes. We suggest one way is that if they want to raise taxes, they can bring it in every year so they can be accountable for their actions and expenditures and show their need for tax increases.

There is nothing in the budget to tell us why the government is raising these taxes. There is



nothing in here to say what they are going to spend the additional revenues on. Are they going to be spending them on further research in areas of conserving energy? I notice the Premier said we should be looking at areas of mass transportation.

If he was down in the Niagara region he would see that is something that has been missed in that area for years. We had it down there years ago. We used to have the old streetcar that ran from Port Colborne to Port Dalhousie—a great trip—but it is not there any more. If they want to implement a study or implement a program of rapid transit for moving masses of people, I suggest there are enough abandoned railroads down there that it would not cost this province one cent. They could just put the cars back on the tracks and electrify them and they would solve many of the problems in that area.

We do not want any more of their promises.

**Mr. Roy:** That is the system they have talked about since 1971. Do you remember?

**Mr. Haggerty:** The one in 1971 is the one that ran on flat wheels. That is about all I can add to this particular piece of legislation and I think there are other members here who will be expressing their views on behalf of this caucus. We are rather disappointed that the government moved in this direction of tax increases in so many areas just after the general election. This is one promise that they did not keep. The Treasurer said there would be no tax increases, but now they have indicated that all of a sudden we have got to live with it now; so they have to live with it, not us.

I have one point there. I think this bill, as an important piece of tax legislation, should be referred to a standing committee of the Legislature.

**Mr. Charlton:** Mr. Speaker, I rise to speak on Bill 72 and to say from the outset on behalf of my caucus that we intend to oppose this tax increase very strenuously.

I find myself in a very strange position tonight, having for the first time in my four years here to agree with at least one statement the member for Erie made tonight, that statement being—

**Mr. Wildman:** That's the man who thought Argentina was a Socialist country.

9:30 p.m.

**Mr. Peterson:** You are starting to get smart; not very smart but a little smart.

**Mr. Charlton:** When he said he was sitting down, that was the second statement I agreed

with. It is the statement he made earlier about the fact that if this budget had been laid out clearly for the people of Ontario prior to March 19, our friends across the way would not now be sitting there. That is probably the clearest and most accurate statement the member for Erie has ever made.

I would like to take a few moments to deal with a number of statements that have come from the other side of the House tonight, in the budget and over the course of the last three years or so.

The first statement I would like to deal with is a comment the Premier made tonight and a comment the Treasurer has made on a number of occasions over the last couple of weeks since the presentation of the budget, the comment being that higher prices for energy promote conservation of energy resources.

I have a brief here that was submitted to this government by the Hamilton Automobile Club, strangely enough. The brief quotes a number of studies on European countries and the price of gasoline in Europe. This brief quotes seven different studies that have been done. What all those studies show clearly is that higher prices for gasoline do not promote conservation. In every single case, in all seven studies, the consumption of gasoline dropped temporarily after price increases and then rose again to the consumption levels that were true prior to the tax increase and, in fact, went above those consumption levels.

I want to point out to the Premier that during the course of the Ministry of Energy estimates about one year ago, the Minister of Energy (Mr. Welch), a long time colleague of the Premier, said clearly—the exact quote can be dug out of Hansard; I was there and participated in those estimates last year—that his ministry was well aware of and opposed to price increases in energy resources and specifically in gasoline because all the things they had looked at indicated price increases were not effective in dealing with conservation.

The comments that have come from the other side of the House tonight and over the course of the last couple of weeks are not borne out by the research this government has done and are not borne out by the research that has been done anywhere else in terms of energy conservation.

For a few moments I would like to hark back to a number of energy pricing and energy taxing statements made by members across the House over the last two or three years.

**Mr. Samis:** It will be painful.



**Mr. Charlton:** It may be a little painful, yes. I would like to refer first to some of the responses from the Premier and the present Treasurer in December 1979 as a result of the budget brought down by the government's federal colleagues in Ottawa.

In a statement he made to this House on December 13, 1979, the Treasurer said quite clearly, "It is our belief, however, that the issue of energy pricing and energy taxation will lead to some difficult and serious economic problems." He went on to say later in his statement: "In 1980, most people will pay over \$200 more for their heating oil and gasoline. That is about four days' pay before taxes. What does this mean for the average Ontario worker? After taxes, the family breadwinner is going to have to work six or seven extra days just to maintain the 1979 standard of living, or they can all demand that wage increase—and I think the members know what that would do to the inflation situation. The situation will more difficult by 1984."

I want to deal with a number of things said in there. I want to deal first of all with the Treasurer's reference to energy pricing and energy taxation leading to some "difficult and serious economic problems." I want to deal with that in terms of a number of things that have happened as a result of a number of actions by our federal government and by this province that have left us in a position of having accomplished all the things those of us in this Legislature said quite clearly in December 1979 we oppose, and oppose quite strenuously, including those members across the way.

During the course of the debate in 1979 over the Tory federal budget and the excise tax of 18 cents on a gallon of gasoline, or four cents a litre, one of the things emphasized by the government, by both opposition parties here, and by both opposition parties in Ottawa, was that the price of gasoline would reach \$1.29 a gallon by January 1, 1980; \$1.43 a gallon by July 1, 1980; and a range of \$1.89 a gallon by 1984.

Those figures were quoted both in the media and by politicians from across the way and on this side of the House as well as by politicians in opposition in Ottawa in December 1979.

If you will recall, Mr. Speaker, the government across the way, along with the opposition parties in this House, as well as quoting those prices, quoted to this House the extent to which this province would lose manufacturing initiatives and jobs as a result of that federal budget approach.

Those figures quoted in the media as a result of the federal budget in 1979 have already been surpassed in terms of gasoline prices in this province.

**Mr. Wildman:** Thanks to the Liberals.

**Mr. Charlton:** Thanks to the federal Liberal government, yes; but also thanks to the actions taken by the provincial government here in Ontario.

**9:40 p.m.**

The strange thing is that the federal Liberal government kept its promise about the Conservative budget that was so violently opposed by this government across the way, the budget that caused the election and resulted in the colleagues of these gentlemen to my right being re-elected as the national government.

Our new national government, under the strenuous leadership of Pierre Trudeau, promised that its prices for oil and gas would not go up as quickly as the Tories' budget would have had them go up. That Liberal federal government kept its promise. They kept gasoline and oil prices slightly below what the Tory budget would have caused.

Unfortunately for us here in Ontario the government across the way has ensured that the small margin below the federal budget which the Liberals granted us has now been taken up by the province, and we have accomplished everything that the budget in 1979 would have caused, and more. That makes for a really unfortunate situation and leaves in serious question all that these people across the way say to us.

In that statement on December 13, 1979, the Treasurer referred, as I mentioned, to an additional \$200 a year that average families in this province would have to pay for oil and gasoline.

As a result of this budget, and leaving aside for a minute the price increases on gasoline and home heating oil that have been caused by the federal government and the damage they have done, the price increases implemented by this government just on gasoline over the course of the four years between this budget and the end of 1983 will cause an increase in cost to an average family in this province in that one tax area—never mind the whole oil industry, but in the one tax area of gasoline—of \$116 a year.

On this one item—forgetting home heating oil and forgetting all the price increases the federal government has already jammed down our throats—this government alone, which



bemoaned \$200 a year for an average family as a result of the federal budget, is imposing \$116 a year over the course of the next three years.

Over the past several years we have heard a lot of rhetoric from across the way, and the Premier perhaps would say in response that there has been a lot of rhetoric from this side of the House as well. But the honourable members across the way have the power to do something about their rhetoric. Unfortunately, what we have found here in Ontario is that their rhetoric means nothing and that what they say in their rhetoric cannot be believed.

We have heard a lot of talk over the past four years in this House about the problems in the auto industry. We have seen moneys pumped into Ford to try to assist that company. We have seen this government become involved in extensive negotiations over Chrysler—

**Hon. Mr. Davis:** Supported by the United Auto Workers.

**Mr. Charlton:** It supported the final position the Premier took, which was also supported by this caucus.

**Hon. Mr. Davis:** I just thought I would remind you.

**Mr. Charlton:** That is not the point. The point is that all the Premier's rhetoric means nothing. He should sit down for 15 minutes and talk to his Minister of Energy (Mr. Welch) and his deputy minister, two people who I happen to have listened to very closely last year in May during the course of their estimates. They are two people who I happen to think made some sense in terms of what they were saying, not only about energy conservation but also about problems in the auto industry and pricing.

**Hon. Mr. Davis:** And nuclear power.

**Mr. Wildman:** You have been listening to them too long. You are confused.

**Hon. Mr. Davis:** He was quoting the Minister of Energy, and I just assumed he agreed with him in everything.

**Mr. Charlton:** Obviously the Premier does not; so why should I?

**Hon. Mr. Davis:** That is where you make a mistake. I do.

**Mr. Charlton:** Unfortunately, the Premier does not; that is the whole point of the debate tonight.

A year ago, the Minister of Energy said quite clearly that one of the things causing the serious problems we were having in the auto sector, according to a study done by the government,

was what was happening in the energy sector in terms of pricing, in terms of cost to the average individual in this country.

Over the past eight years since 1973 we have seen significant annual jumps in the exodus of the consumers of this country and the United States from purchasing cars built in North America. Some of the cars are built in Brampton, some of them are built in Oakville; some of them used to be built in Hamilton many years ago; some of them are built in Oshawa; some are built in St. Catharines, and a lot in Windsor.

We have seen an exodus of Canadian consumers from buying those cars, and a serious jump in the movement each year to buying imports that are fuel-efficient and in many cases less costly than similar cars produced here in Canada or elsewhere in North America.

We saw increases last year, and we are seeing increases in the first quarter of this year. This 21.7 per cent increase in the gasoline tax, and the ad valorem nature of this tax, is going to cause that tax to escalate every year; four times a year it is going to increase the cost of energy and the cost of gasoline in this country. We are going to see this government adding to that cost increase with an ad valorem gasoline tax, adding to the shift of Canadian consumers away from our auto sector and towards the purchase of imported fuel-efficient cars.

The Premier made some facetious crack last year about the Lada cars—

**Hon. Mr. Davis:** It was not facetious at all.

**Mr. Charlton:** It was facetious in the context of what the Premier is doing now, most certainly, because as long as fuel-efficient imports are substantially cheaper than fuel-efficient cars being produced here, and as long as energy prices continue to escalate with the Premier's help, then the exodus to those fuel-efficient imports that are substantially cheaper than our own products will continue to increase, and the problems in our auto sector will continue to increase as well.

9:50 p.m.

**An hon. member:** He wants us to buy Renault.

**Mr. Cooke:** They don't build those in Brampton.

**Hon. Mr. Davis:** They will be.

**Mr. Cooke:** When? That will be the day. You get the plant, we will buy the car.

**Mr. Samis:** A good Canadian-owned company.

**Mr. Cooke:** It is owned by the French government. It is better than anything this government would do.



**Mr. Charlton:** One of the things this government has neglected to realize in terms of the ad valorem nature of this tax, the size of the individual tax increase this year, the recurring nature of the taxes and the recurring nature of the increases in those taxes as our oil prices go up four times a year, is that this tax will penalize two major sectors of our economy.

The government likes to talk about the fact that in its view now, as opposed to its view a year ago, these tax increases will promote conservation. The reality is that this tax is a penalty against those who have already attempted to conserve. This tax will penalize those who have already tried to save money and to conserve fuel by buying small, less comfortable cars than they used to drive. In addition, this tax, like all taxes of this kind that are based on the retail price of a product, will most penalize those on low and fixed incomes and those in the lower middle-income sector of our economy.

We have listened, sometimes with frustration and sometimes with disbelief, to the Minister of Housing (Mr. Bennett) over the last three weeks. He talked about how, if the housing consumers in the Metropolitan Toronto area could not afford housing in the downtown city core, they should bloody well move out to the suburbs where the housing was cheaper. He said they should get out of the downtown city core where the prices were excessive and move to the suburbs where the prices were more reasonable.

He even threw figures at us, saying: "Mr. Cassidy, don't quote us figures from Yonge and Bloor. I will give you some figures from Mississauga and from Bramalea."

**Mr. Philip:** Brampton.

**Mr. Charlton:** And from Brampton.

This government, through this tax increase, through the ad valorem nature of this tax increase and by the approach it is taking to taxation in Ontario, is hell bent on ensuring that all the people the Minister of Housing says should move to the suburbs, even if they should move out to the suburbs and buy their homes this year, will find themselves within three or four years in the position where they can no longer afford that housing in the suburbs anyway.

Those people will no longer be able to deal with the interest rates that this government refuses to do anything about, or the gasoline tax and the other taxes that this government imposes upon their income.

As a number of people have mentioned since the presentation of this budget, the Treasurer

mentioned that his budget was an inflation budget. I could not agree more. There has not been a budget brought down by this government in the four years I have been here that has added so much to the problem that Tories like to talk about so frequently as being the single most important problem to be confronted by the provinces and the federal government: inflation.

This budget is perpetually inflationary, as is the tax presented in the bill. This budget, as the Treasurer suggested in his comments about the proposed federal budget of December 1979—

Interjection.

**Mr. Charlton:** Or they could all demand a wage increase. I think the member knows what that would do to our inflation rate.

In December 1979, the Treasurer was predicting the federal budget would cause an increase in the inflation rate of 1.5 per cent. Unfortunately for the people of Ontario and of Canada, the inflation rate has not gone up 1.5 per cent since that budget; it has gone up three per cent. This government not only is contributing to inflation but also is doing so in a recurring way that will add fuel to the fire each time somebody else adds some fuel to the fire.

This government is turning the fight against inflation into a nonrenewable resource. Perhaps the Premier did not quite catch that. Governments in this country are the only tools we have to fight inflation. As they take actions that fuel inflation and as they burn their bridges by adding to inflation, they are turning our fight against inflation into a nonrenewable resource. We will soon be out of that resource.

We will soon find ourselves in a situation—as they have done in many other countries of the world—with inflation rates of 25 and 30 per cent instead of the nine or 12 or 13 per cent we are now confronted with.

**Mr. Piché:** This is a good speech, but a little too long.

**Mr. Charlton:** I am just getting down to brass tacks.

I want to make a few comments about the ad valorem nature of this tax. The Premier said something about a week and a half ago in response to a question from the Leader of the Opposition (Mr. Smith) regarding the ad valorem nature of this tax. In response to that question, the Premier admitted to this House, probably for the first time in his career here, that sometimes some of the things done by other provinces make sense in Ontario. That is something



he spent a lot of time denying repeatedly in a number of debates that have gone on in this House, at least over the four years I have been here and for a number of years before that, according to the media.

**Mr. Gordon:** Four years too long.

**Mr. Charlton:** I will probably be here as long as or longer than my friend.

**Mr. Gordon:** Don't worry. You will be there for a long time.

**10 p.m.**

**Mr. Charlton:** It seems strange to hear some of the comments from the other side. The government across the way just had their best shot at me. They spent as much money and as much of the Premier's time as they could afford, and I am still here—the member for one of the target ridings. Money cannot get everything one wants to buy.

**Mr. Bradley:** Ian Deans is looking for that seat. He'll have the best shot yet.

**The Acting Speaker (Mr. Cousens):** Order. Carry on, Mr. Charlton.

Interjections.

**The Acting Speaker:** I said, "Order." Mr. Charlton has the floor.

**Mr. Charlton:** I will go back to what I was saying about the ad valorem nature of this tax. I was in the process of making a reference to a comment the Premier made two weeks ago this Thursday. In response to a question from the Leader of the Opposition about this ad valorem tax they were causing to occur in the gasoline sector, the Premier said, "The other provinces have already gone to an ad valorem tax on gasoline; why shouldn't we?"

As I said at the outset, we are going to oppose this bill. One of the reasons is that the Premier has not yet learned that an argument he has frequently used in this House applies to him as well as to the opposition. There have been a number of occasions when the Premier, the Treasurer and a number of other ministers across the way have argued that one cannot take a particular item in isolation when it is part of a package. "Discuss the whole package," they said to us.

The same is true for them when it comes to their references to what other provinces have done in taxation. This caucus would not be taking the position it is taking on this tax and a number of other taxes in this budget if this government were prepared to give us the kind of complete tax package that has been given in

some of the provinces the Premier referred to, where they have also gone to an ad valorem tax on gasoline.

If the income tax increase and the ad valorem tax on gasoline in this budget had been introduced to reduce OHIP premiums, or to eventually eliminate OHIP premiums, or if it had been introduced to enrich the tax credits in this province that are outdated by some seven years now in terms of real inflation in this province, so that low and middle-income people in this province could benefit from this ad valorem tax. Or if this government were taking this ad valorem tax on gasoline in order to add new benefits to the OHIP programs in the province, like dental care for children, or getting rid of the co-payment in chronic care beds or any number of basic social programs that other provinces have, then this caucus would not be taking the position we are taking on this tax increase.

But unfortunately the Premier and the Treasurer want it both ways. They want to be able to take the money-raisers the other provinces use and ignore the rest of the tax packages those other provinces present. They want to be able to ignore the social programs those other provinces pay for in total out of their general taxation without premiums, without surcharges and without extra billing and a number of other things that go on in Ontario. They cannot have it both ways.

So if the government wants to tell us that most of the rest of the provinces have ad valorem taxes on gasoline, they should tell us about the rest of the things the other provinces do in the tax and tax credit sector, and tell us about the other things that some of the other provinces do in the social sector, and that they pay for in total, and we will listen—but not before then.

This tax, and the recurring increases in taxation it will cause in future, are just part of a very cynical and very hypocritical budget. It is the most hypocritical budget that has come out of this government in a decade. It is just part of the worst trick that has been played on the people of this province in 15 years.

I go back to where I started out in agreeing, for once, with the statement by the member for Erie, that if this government had presented this budget and this kind of tax to the voters of this province before the election, those gentlemen across the way would not now be sitting there.

**Mr. Peterson:** Mr. Speaker, I am happy to rise and add briefly to the great contribution of our critic in this area. I am very happy to see the Premier here tonight. It is evidence of his lack of



popularity after the budget that he is not invited out any more and he has to show up back in the House. There was a day when we rarely saw him here at night, except—

**Hon. Mr. Davis:** I was invited to join your friends tonight. That is the only reason I am here.

**Mr. Peterson:** Frankly the Premier embarrasses me. I want him to know that. However, the chap who introduced him did a great imitation; he must admit that.

I do not want to go over all the details, but I want to talk about what I consider the most hypocritical, deceitful kind of manoeuvre this government could possibly have brought about. The honourable members know the atmosphere that was created by this government as the great defender of the consumer in Ontario. I could go on at great length quoting speeches—

**The Deputy Speaker:** No, but you will not.

**Mr. Peterson:** Mr. Speaker, I want to do this for your benefit. I know that you will understand this. But I think it is very important that one understands the posture of this government and the impression it created in the electorate's mind before we faced the budget that we did. I have had the opportunity—

**Mr. Laughren:** Lower prices or not lower prices.

10:10 p.m.

**Mr. Peterson:** Mr. Speaker, my friend from Nickel Belt is getting a little exercised; I wish you would control him just a mite.

I have had the opportunity of chatting with many people subsequent to the budget and I have talked to no one—be it expert or lay person—who feels this is a good budget or who feels these were appropriate tax increases. In fact, the overwhelming sentiment is one of great moral outrage because of the deception. The less charitable people say, "Let the taxpayers or the voters swing for it. Let them pay because they got what they deserved when they voted for this government."

**Hon. Mr. Davis:** I talked to some of your friends tonight at the same place. They thought you were excellent.

**Mr. Peterson:** The Premier does not know anyone who would stand up and say it was a great budget because it was not. It was singularly unimaginative except at extracting money

out of the public hide in as a deceptive way as could possibly be done, particularly in the atmosphere that has been created.

**Hon. Mr. Ashe:** Look at that budget. It is courageous.

**Mr. Peterson:** According to whom? According to the Premier?

I have a few other quotations—

**The Deputy Speaker:** Mr. Peterson, I know it is difficult to try to avoid interjections, but I would ask you to try to do that.

**Mr. Peterson:** —and I want to talk about them. Would you stop interrupting me please, Mr. Speaker?

I just want to put this in the context—

**The Deputy Speaker:** Of the bill in front of us.

**Mr. Peterson:** Yes, absolutely.

I want to put this in context. The Premier, speaking in the House last October 31, was referring to the Alberta energy policy and some of the threatened cutbacks and he said this at that time:

"Quite aside from the present increases already planned for, this new compensation burden for more foreign oil will require an additional increase of \$2.70 a barrel by 1982. This would, as a result of the liability created by Mr. Lougheed last evening, increase the cost to the consumers of Canada by an extra four and one half cents to five cents a gallon in 1981 beyond those increases already planned for.

"The impact of last night's statement is economic. It imparts an extra financial burden upon an already tight national economy. The burden is not being imposed on Canadians by any foreign power or by any international collapse but by a Canadian provincial government."

Do you see what he is doing, Mr. Speaker? It is quite obvious to you as a semi-rational member of the government in your other incarnation to understand what the Premier is setting up by this exchange. The Premier says, "It is both sad and of deep concern that one provincial government presiding over what is the most rapidly expanding economy in the country should respond to a continued and prolonged disagreement by imposing deep economic penalties on the working men"—and here he bleeds for the ordinary consumer, for the so-called little man—"and women, the pensioners, the businessmen and the people of Canada . . .

"My government has been and will continue to be consistent on the basic issues of price, supply and division of revenues."

That same day a question was asked by my leader and one of the responses was this: "... the net effect on the national economy is, I think, most unfortunate. It comes at a time when the national economy needs some stimulation, as the Treasurer said yesterday." Mr. Speaker, if it needed it then, it needs it now. That was a major policy piece by the Premier of this province in response to certain external forces.

In a speech on September 27, 1979, to the Canada-United Kingdom Chamber of Commerce, the Premier said the following: "There may be evidence that the price increases we have experienced are encouraging more energy efficiency in our society. However, there was no honest consensus that significant oil price increases by themselves lead effectively to reduced consumption."

The Premier should sit down. He may learn something. He will remember what he said and it might be good for him because we are going to remind him of it.

**Hon. Mr. Davis:** I have already discussed it earlier with you tonight.

**Mr. Peterson:** I did not enjoy that conversation but I am enjoying this one because he has to listen for a change.

**The Deputy Speaker:** I am listening.

**Mr. Peterson:** The rationalization for these excessive increases and ad valorem taxes on motor vehicle fuels has been lamely positive after the fact. They say it will do something for conservation when, by their own admission some time earlier, they admitted it does nothing for conservation. That is their assertion. Now, they have dramatically changed the rules.

"The only thing we do know is that a massive increase in the price of oil can stall economic activity and slash employment growth. To choose that course when other options are available would be tantamount to restoring bleeding as a medical cure-all." Can you believe it? It is a catchy line, "would be tantamount to restoring bleeding as a medical cure-all."

"Nevertheless, we continue to stress that if we move even closer to world prices next year without basic economic changes, immeasurable damage could be done to the Canadian economy. Surely inducing a recession in Canada is not in your interest as it certainly is not in ours." Again, a very major policy piece by the Premier.

He spoke on November 12, 1979, to the special first ministers' conference on oil and natural gas policy, and said this, "Nor would the

idea of indexing ourselves to massive increases in American oil prices, as they approach world levels, represent in practical terms any greater recognition of our Canadian opportunity."

So he is against indexing—exactly the phenomenon he has introduced with this new tax—and castigates others who sometimes put forward a point of view that we had to move oil prices up, and who talked about a fair distribution of those revenues. He was against indexing those prices because of any external forces even though he is now profiteering from them.

"Often, admittedly," he goes on to say, "we have little choice but to share America's problems. But to tie ourselves either at a rate of 90 per cent or 100 per cent to their loss of oil pricing independence would seem to us to be arbitrary and unnecessary." But that is exactly what the new tax he imposes has done. He also said at that time, "I must also say in frankness that the oil pricing proposal which is being negotiated between your government and the province of Alberta appears, from what we now know, to be an excessive and imprudent response to the claims of the producing provinces and the petroleum industry."

He goes on to say, "Without equally massive income assistance to consumers, which does not seem to be under any serious consideration, such a decision would in our opinion constitute an unprecedented raid on the consumer; not a meaningful attack on our energy problems."

**Mr. Roy:** Who is saying that?

**Mr. Peterson:** I am glad the member asked me. That is the Premier. He was so embarrassed by his previous words that he left the House, as members will have noticed. I am curious at the same time as to why the Treasurer has only been here for two or three days since his budget to defend some of his ridiculous proposals, and leaves the province's chief tax collector to sit here and try to defend his concoctions.

There again he pleads for the ordinary Canadian, the ordinary consumer who is going to be hit very hard by this consumption tax. His response in the mini-budget before the election, as I recall, was some sort of fuel oil subsidy for low-income earners. That is not a budgeted amount, and no one knows what that program is. He is trying to get federal assistance for that program. The federal government has given no indication whether it will participate or not. This government has not budgeted any amount of money for it. Again, the very person he is pretending to protect on the one hand, he is hitting very harshly on the other.



The Premier goes on to say, "I believe the Canadian people are running out of patience with the line that they have been living wildly beyond their means. Perhaps our governments have, but our families certainly have not . . . Ontario has made it clear that it opposes any immediate price increase beyond the current January 1980 agreement and will remain opposed until there is a plan in place that guarantees a basic change in revenue flows, and energy and economic policies in order to: achieve national oil self-sufficiency; . . ."

This new tax, this raid on the consumer, does nothing for oil or energy self-sufficiency. If the Treasurer had come to this House to put that money in a separate self-sufficiency fund for Ontario, putting it into renewables or conservation or methanol or hydrogen or something a little bit creative, he might have had an attentive ear from this side of the House. But the only thing he was creative at was stealing more money from the taxpayers' hides. There was not one new initiative in this budget either to create a job or to create employment. It was the single most unimaginative budget I have seen in my five or six years in this House.

The second point of his program—I get carried away, I get so incensed when I read this—is that he wants to avert an unnecessary recession. It is admitted by every economist, including his own staff, that this tax is inflationary. It will dampen consumption, rob disposable income and help to create a recession if that is in the cards this year. It definitely does not do anything to stimulate consumption.

**10:20 p.m.**

He wants to avoid undue hardship to the consumer. We have established already through our critic and the critic for the New Democratic Party that it does exactly that. He wants to support industrial adjustment, whatever that means, but there is no indication in his new tax that he has any ideas on that.

He goes on to say, "If a new energy policy is to be credible, it simply cannot be used as an excuse to raise billions of new tax dollars for general government purposes." That is exactly what is in this document. There is not one new initiative. It is only to reduce the deficit. This government did not even touch the expenditure side. If it were serious about assisting the taxpayer, there were a lot of ways it could have cut on the expenditure side. It did not do anything with that.

It is concerned only about balancing the budget at the consumer's expense. Its federal

friends in Ottawa were dumped for exactly the same reason. It would never have had the temerity to bring this kind of tax into this House in a minority situation.

I can say in retrospect that minority government worked pretty well. It was a responsible government. History will say that was one of the best periods in the history of that government. It was not pressed. Any time it introduced a responsible program, it was applauded and supported. But this would not have passed in its singularly unimaginative form—just a revenue grab to balance the budget.

He goes on to say this, "It would be unconscionable for the federal government not to return, honestly, all discretionary new revenues back to the people. This cannot be fudged, particularly in the case of low-income families"—and again he bleeds—"and those who have no immediate option but to continue to use the automobile and the oil furnace."

**Mr. Roy:** When did he say that?

**Mr. Peterson:** He said that on November 12, 1979, at the special first ministers' conference on oil and natural gas.

The Treasurer and the Premier helped dump their federal friends after the 1979 election and leading into the 1980 election. On December 13, the Treasurer responded to the federal budget with Ontario's comments. I think it will be helpful if we review some of the remarks made at the time:

"The members are all aware of the stand this government has taken with regard to oil and gas pricing. We have strongly opposed, and continue to oppose, price increases which go beyond the current federal-provincial agreement without any changes made to the distribution of oil and gas revenues.

"Many of the proposals of the federal government will not help our economic performance and not advance the capacity of our economy to grow. In the view of this government there must be a positive up-front offset, or a massive reinvestment of the enormous energy revenues to ensure that the economy of this country does not receive a mortal wound in the next year . . ."

He goes on to talk about the excise tax and what it would do to the Ontario economy. He says, "In 1980 most people pay over \$200 more for their heating oil and gasoline. That's about four days' pay before taxes." He says farther along, "These increases are going to finance Ottawa's deficit and to increase the already bursting treasuries of the producing provinces."



What is he using that revenue for? For no other reason than to finance Ontario's deficit. He is now perpetrating himself the very things he castigated his federal friends for.

"There is even some question," as the Treasurer says, "as to whether these measures will produce the energy conservation the federal government is looking for. It has been estimated that for every 10 per cent increase in the cost of energy, . . . consumption drops by only one per cent. That is hardly enough to produce the goal of energy self-sufficiency, yet it will place a heavy burden upon our economy."

There are many other reasons why they opposed the imposition of higher oil and gas prices. There are no offsets now.

**Mr. Roy:** Are you not embarrassed over there to hear all this?

**The Deputy Speaker:** Mr. Peterson still has the floor.

**Mr. Peterson:** I am just relying on my friend to interject.

**The Deputy Speaker:** You have the floor and not your colleague. We would appreciate you continuing your comments.

**Mr. Peterson:** I think I have successfully paraphrased some of the remarks of both the Premier and—

Interjections.

**Mr. Peterson:** Mr. Speaker, I should be in my sick bed, and if I was not so incensed at this particular tax measure I would be home recuperating rather than here expressing my complete rancor.

I was not very happy about a number of measures in this budget, and we will have an opportunity to discuss those in detail. But this is the single most iniquitous measure in the whole budget. We have worked through the figures. The Treasurer has stood in his place and said our figures were wrong, but he has yet to produce a rebuttal and I would invite him to do so. Our figures say that with any increase under the national energy program, any increase over the present price, the Ontario government will profit more than will the producing province. We ran through those figures.

Under the NEP there is to be a minimum \$4.50 a barrel increase per year over the next three years. Of the \$4.50, \$2.50 will go to the federal government for the equalization fund; 80 cents will go to Alberta; 90 cents, on an ad valorem 20 per cent basis, will go to Ontario. Adding in the Petrofina refining tax of \$1.15 a barrel and taking another 20 per cent of that, it

brings the take up to about \$1.12 per barrel for every increase for that barrel at wellhead price out of Alberta. That is a reality. That is the best-case scenario; that is the very best—or the very least worst for the consumers of Ontario. As wellhead prices go up, margins tend to go up—refining margins, distributions margins, retail margins, any other tax or levy that is imposed thereupon, as Mr. Lalonde has threatened to do this week because of the production cuts in Alberta, of another half cent or so a litre.

My leader stood up in the House yesterday and established at minimum that new federal levy for the oil compensation fund will cost the taxpayers and consumers of Ontario at least another \$13.5 million. So for every externally imposed price increase, from whatever cause—be it OPEC, Alberta, the federal government, the refiners or the retailers themselves—the consumer in Ontario will pay. We are indexing our taxation system, the very thing he castigates. It is inflationary and it is profiting at the expense of inflation.

It is beyond me how a government could create this atmosphere that I gather they have successfully done over the past number of years. Responsible people were saying, "We must very seriously think about increasing the price of energy in this province and in this country; we must make sure there is a fair distribution of those revenues; we must adjust our industry to that in a meaningful and way."

No one at that point advocated there should be a ripoff by this government, that one should virtually throw in the towel on inflation and say, "We cannot fight it, there is nothing we can do about it; let's join the fight and try to profit therefrom." It really is a question of living off the avails.

That is why it is such a terribly cynical thing. The people I have talked to feel a tremendous sense of moral outrage. They feel deceived, they feel they have been virtually lied to—and I use that word advisedly. They wake up in the shock of that budget of two weeks ago, and they say to themselves, "How could we possibly have been taken in by those people?"

**Mr. Speaker:** I direct the honourable member's attention to the clock.

**Mr. Peterson:** I was just getting good.

Interjections.

**Mr. Peterson:** I see there is no consensus for that view, Mr. Speaker. I will move an adjournment.

On motion by Mr. Peterson, the debate was adjourned.

The House adjourned at 10:30 p.m.



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Ontario, LEGISLATIVE ASSEMBLY

No. 36

# Legislature of Ontario Debates

## Official Report (Hansard)



**First Session, Thirty-Second Parliament**

Thursday, June 4, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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# LEGISLATURE OF ONTARIO

Thursday, June 4, 1981

The House met at 2 p.m.

Prayers.

## CBC RADIO PROGRAM

**Mr. Speaker:** There was a point raised on June 2 by the member for York South (Mr. MacDonald) with respect to a Canadian Broadcasting Corporation radio tape on youth employment programs which was aired on Wednesday, April 22. For the purpose of clarification and the understanding of all members of the House, I will briefly outline the sequence of events as they happened.

On Thursday, April 16, the CBC asked for a tape to be delivered by Tuesday, April 21. With the Easter weekend and the opening of the Legislature pending, it was ruled out that a possible taping could be scheduled, so a copy of a tape I had just sent to the Peterborough radio station was indeed sent to the CBC. As I had not been named Speaker at that point, the CBC was given the usual instructions to introduce me simply as the MPP for Peterborough. However, on the news of my appointment on April 21, the CBC revised the introduction to include the title of Speaker.

I did not at any time during the recording of that tape refer to myself as the Speaker.

## STATEMENTS BY THE MINISTRY

### GUARANTEED ANNUAL INCOME

**Hon. Mr. Ashe:** Mr. Speaker, later today I shall be introducing a bill to amend the Ontario Guaranteed Annual Income Act, 1974.

The main purpose of the bill will be to transfer the agency for dealing with the objections of Gains applicants to the tax appeals branch of the Ministry of Revenue. This branch, which was established in 1980, handles all the objections to the tax acts administered by the ministry.

In addition, another amendment to the appeals provision will permit applicants to object formally to any act of the ministry to recover excessive Gains payments.

The bill will also contain an amendment designed to parallel a related feature in the federal Old Age Security Act. This amendment

will prevent certain individuals from increasing their Gains benefits after it has been established that they are entitled to receive less than full benefits.

## AGGREGATE PRODUCING INDUSTRY

**Hon. Mr. Elgie:** Mr. Speaker, I have two statements this afternoon.

In late 1979 I appointed Professor S. R. Ellis as an industrial inquiry commission pursuant to section 34 of the Labour Relations Act. Professor Ellis's mandate was to inquire into and report to me concerning the application of the dependent contractor provisions of the Labour Relations Act in the aggregate producing and road building industries.

As I advised the House at that time, the commission was appointed because of repeated representations made to me and my predecessor by persons and organizations in the trucking industry who took the view that the dependent contractor provisions of the Labour Relations Act, which came into effect on June 1, 1976, have had consequences to that industry which were not intended by the legislation.

I have now received part one of Professor Ellis's report dealing with the aggregate producing industry, which I wish to table this afternoon. As members will see, the report is a comprehensive one and deals in detail with the nature of the aggregate producing industry in Ontario and various arrangements for the transportation of aggregate from pits and quarries to customer locations.

The focus of the report, of course, is on the suitability of the current dependent contractor provisions to this particular industry, having regard to its unique characteristics. The commissioner's conclusions and recommendations in this regard are detailed and I do not propose to summarize them at this time.

This first part of Professor Ellis's report is being analysed by the staff of my ministry as well as the staff of the Ministry of Transportation and Communications, who, because of the recommendations, have a clear interest in the report.

In the weeks ahead I have no doubt we will be receiving representations as to the appropriate



response action from various interested parties and I will advise the House when we have determined the appropriate course of action.

I should add that the commissioner has advised my ministry that part two of his report, dealing with the road building industry, will be available by the end of the summer and I will be tabling that document when it is received.

### SEVERANCE PAY

**Hon. Mr. Elgie:** Mr. Speaker, later today I will be introducing legislation which fulfils a commitment I made in this House some months ago. The bill makes provision for severance pay for workers terminated as a result of full or partial plant closures, subject to certain conditions to which I will refer in a moment.

The bill also contains provisions similar to those contained in Bill 191 which I introduced in the last session of the Legislature. The bill authorizes the Minister of Labour to require employers to participate in and contribute to manpower adjustment committees and generally to undertake any actions and measures deemed appropriate to facilitate the re-establishment in employment of terminated employees.

The previous bill referred only to participation in manpower adjustment committees. In our work over the past few months it has become apparent that in some circumstances such committees may not in fact always be the most effective mechanism for achieving re-employment; the revisions to the bill accordingly take into account the need for a degree of flexibility.

The bill also reintroduces the requirement that employer contributions to benefit plans must be maintained during the notice period required under the Employment Standards Act, both where notice is actually given and where pay in lieu of notice is given. For the purpose of the administration of the act, employer contributions to benefit plans will be included in the definition of wages so that employment standards officers will be empowered to collect such benefits on behalf of employees where necessary.

**2:10 p.m.**

While I believe these latter provisions are important components in our strategy for addressing the problems created by plant closures, I recognize that the issue of severance pay will be of immediate interest to members. I wish to turn, therefore, to the key elements of that

portion of the bill. In general, protection is provided where 50 or more employees are terminated as a result of the permanent discontinuation of all or part of a business. The entitlement is one week's pay for each year of service to a maximum of 26 weeks' pay. Entitlement arises after five years' service with the employer.

Regular full-time and part-time employees are eligible for severance payment, but not those casual employees who have a right to elect whether to work when requested. Construction industry employees who work at construction sites will not be eligible. Their employment is typically irregular and intermittent due to the limited duration of most construction projects. The special nature of this industry is recognized by all jurisdictions in Canada, which have exempted construction workers from the notice-of-termination provisions.

An employee who refuses an employer's offer of reasonable alternative work will be ineligible for severance pay, as will one who refuses to exercise bumping rights or who elects to retain recall and seniority rights, as indeed some may wish to do, especially in the case of a partial closure where there is plant-wide seniority. However, the election may be made at any time. Employees who are entitled to receive their full pension upon the full or partial closure of a business will be excluded from entitlement, but those who take early retirement on a reduced pension will not be excluded.

The circumstances surrounding a closure will govern the applicability of the severance pay legislation in some defined situations. For example, a bankrupt or insolvent firm will still be required to pay severance pay to employees to the extent that assets are available to satisfy their claims. Similarly, those whose employment is terminated as a result of full or partial plant closure during a strike will be entitled to severance pay, except where the employer is able to establish that closure has been occasioned by the economic consequences of the strike. Where a business is sold, an employee of the vendor becomes eligible for severance pay unless the purchaser agrees to employ him, in which case he is credited with his service with the predecessor employer.

The Employment Standards Act will also be amended so as to permit the collection of unpaid severance pay. It is recognized that there are or may be arrangements negotiated or unilaterally granted by employers which provide severance pay. Accordingly, a contractual

or other arrangement that confers a right or benefit equal to or greater than the legislative requirement will prevail. When such arrangements provide lesser benefits, they may be offset against the legislated requirements. Where supplementary unemployment benefits are available to employees, these may be deducted from severance pay entitlement, reflecting prevailing collective agreement practices. Pay in lieu of notice may not be set off against severance pay, the nature and purpose of these two rights being quite distinct.

Finally, the proposed severance pay measures will, as I indicated earlier, be retroactive to January 1 of this year. That retroactive provision, however, will not apply in those cases of bankruptcy and insolvency where the assets have already been distributed or where an agreement on a proposal to creditors has already been reached.

I believe these provisions of the bill represent a major step forward in ensuring a minimum standard of fairness and equity for persons who lose their jobs as a result of the permanent discontinuation of business in Ontario. I should add that I also believe they represent what the majority of employers in Ontario already regard as a fair standard of treatment for their employees.

## ORAL QUESTIONS

### GASOLINE TAX INCREASES

**Mr. Smith:** Mr. Speaker, I will direct a question to the Premier regarding the ad valorem tax on gasoline. Does the Premier recall the speech he made to the Ontario Municipal Electric Association on Tuesday, March 4, 1980, when he said, and I quote, "We will continue to resist windfall profits for provincial treasuries and petroleum companies"?

If he remembers that speech, can the Premier tell the people of Ontario why he has now decided to arrange not only for such windfall profits to occur, but for himself and his government—rather shamelessly, I feel—to collect additional moneys, so that whenever the knife is being plunged in by a sheikh of Arabia, by another Canadian jurisdiction, by the fact that the Canadian dollar has fallen, or for any other reason, not only will the Ontario government get a bit of the blood, but it will also be there to push the knife a little deeper into each Ontario citizen to get a little more money?

What happened to the promise that was made on March 4, 1980, when he said he would resist windfall profits?

Interjections.

**Mr. Speaker:** Order. The Leader of the Opposition has the floor.

**Mr. Smith:** To put the matter simply, he said on March 4, 1980, "We will continue to resist windfall profits for provincial treasuries and petroleum companies." Why did the Premier change his mind?

**Hon. Mr. Davis:** Mr. Speaker, I do recall that very excellent address to the Ontario Municipal Electric Association, at which time I made a number of observations, including our support of the Darlington commitment to nuclear energy and the use of electricity in lieu of oil, which is consistent with the approach we have taken and, of course, totally different from the policy and philosophy of the Liberal Party of Ontario. I recall it very vividly.

I think it is fair to state that the Leader of the Opposition can describe the tax in any way he deems fit; that is his right. We do not regard the ad valorem tax as a windfall profits tax; it is a form of taxation that is used on a number of commodities, in a number of areas and by a number of jurisdictions.

I have never felt that a tax was in fact a profit for a government. I am sure that before this session is concluded the Leader of the Opposition and many of his colleagues will find ways and means to suggest to us—in the most constructive way, of course—that we should spend far in excess of the modest amount that will be raised through the ad valorem nature of the tax.

**Mr. Smith:** Since the Premier himself said he would continue to resist windfall profits for provincial treasuries, and since that seems to have gone by the board a year later, does he not feel, as the people of Ontario are preparing to bear the burden of this latest increase in the price of retail gasoline and diesel fuel, that he acted hastily with his ad valorem tax and that it is not right for the Ontario government to gouge another \$53 million or \$54 million out of the people of Ontario simply because others are taking money from them?

Surely the Premier would like to reconsider and change the ad valorem tax to a straight tax, where at least he would be honest with the people of Ontario and would not, in a sneaky sort of way, add a little more salt to the wound every time the wound is opened by someone else.



**Hon. Mr. Davis:** Mr. Speaker, I want to make it quite clear that the government does not intend to alter its tax proposals. That will come, I am sure, as no great surprise to the Leader of the Opposition.

I would only reiterate what I said in answer to the initial question, which is really exactly the same as the supplementary question: We do not regard, and I do not think any intelligent, thinking person regards, the ad valorem tax as being "a windfall profits tax." They are not the same in any respect whatever. The revenues from this particular increase may or may not be \$45 million, because this figure is predicated only on whether or not the governments of Alberta and Canada reach some agreement on oil pricing. If they were to reach that agreement at the meeting between Mr. Leitch and Mr. Lalonde in some 10 days, and I am not suggesting they will, the amounts that have been referred to in today's press would not apply because the ad valorem tax will not move in until July 1.

One cannot predict accurately whether or not that will take place. I cannot tell the Leader of the Opposition; we would only be guessing.

I would also make this prediction once again: It is fine to say we should not be getting this tax revenue, but I will predict that in estimate after estimate, when we listen to the constructive advice from the honourable members opposite, we will find that for ministry after ministry they will uncover, in their view, quite legitimate ways in which we can spend 10 times the roughly \$45 million.

**2:20 p.m.**

I will give the member the example of the university community. I heard what he said, not only during the campaign but since, as to how we should increase our funding for the universities. At his suggested rate of increase, that \$45 million would not cover even 50 per cent of the amount by which he is suggesting we further fund the universities of Ontario. That is the reality of the way he does his mathematics.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Since Treasury officials estimate the increase in provincial revenues arising from this federal increase in tax will be \$40 million or \$50 million on top of the money the Treasurer (Mr. F. S. Miller) already expected to get by the increase in the ad valorem tax at the time of the budget, and since there are liable to be further increases in Ontario's revenue if nothing is done because of the Petrofina surcharge and because of

upward changes in such things as refining, distribution, dealers' margins or further federal increases, what steps does the government propose to rebate to the consumers of Ontario this unforeseen money coming into the provincial Treasury, so as to keep at least to the original \$135 million in added revenue the government intended to collect?

**Hon. Mr. Davis:** Mr. Speaker, if the leader of the New Democratic Party will guarantee that during the course of this session and the estimates debates he will agree with the expenditure levels of every single ministry of this government, if he will not suggest to us the many ways in which we should, in his view, be spending far in excess of that—

Interjections.

**Hon. Mr. Davis:** What he is suggesting to us will far exceed the proposals of the Liberal Party of Ontario. He would have us spend hundreds of millions of dollars more. We have to have the revenue to meet that sort of—

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Davis:** Oh, you are not on your feet yet, Mr. Speaker. I can only say to the leader of the New Democratic Party, it has been our experience in this House that we have never gone through a session where his party, even more than the Liberals, has not found ways and means to expend hundreds of millions of dollars more than either our anticipated revenue or the level of expenditure.

**Mr. Nixon:** Supplementary, Mr. Speaker: Would the Premier care to explain what he meant when he said this additional tax will not be an imposition on the consumers until later in the summer? Certainly the bill calling for the gas tax, even though it has not passed the House, is being imposed on the consumers now, and if he is under the impression the increase levied by the government of Canada to make up for the additional costs of offshore oil is not going to be taxable, I do not understand that.

Would he not presume as well that some of the additional costs of the programs we are proposing can be made up by a realignment of priorities, so he does not waste money on so many of the programs that have come into being as a result of the leadership the province has had for the last decade?

**Hon. Mr. Davis:** Mr. Speaker, I will not get into a discussion on that part of the question from the member for Brant-Oxford-Norfolk that

relates to the leadership of the last 10 years in this province. It has shown, I think, certain positive results of an economic, social and political nature. I will not get into that.

My understanding of the tax legislation is that the impact of the recent increases will not be felt in terms of the ad valorem tax until July 1. I was referring to the additional revenues that would flow as a result of the recent tax increase imposed by his friends in the national government in Ottawa, because of the lack of agreement between that government and Alberta. That is my understanding of the tax bill.

**Mr. Wildman:** Supplementary, Mr. Speaker: Can the Premier square his statement today, where he justifies the ad valorem tax increases on the basis of raising revenues for this government to help pay for various programs or to cut the deficit, with the statement made by the Treasurer in December 1979 in which he said provincial taxation on gasoline was justified on the basis of subsidies to public transit, and in which he opposed the proposed budget increases by the then Tory government in Ottawa on the basis that those kinds of increases should not be imposed to help cut deficits but should be imposed on the basis of subsidies to meet the cost of foreign oil?

**Hon. Mr. Davis:** Mr. Speaker, I do not recall the exact phrasing used by the Treasurer some two years ago, whatever the date was. I do recall the general discussion when, as a government, we were opposed to the intervention of the government of Canada—as we were with respect to the former government with its moving into the excise tax field—in the field of tax on gasoline. This has been and still is, in our view, traditionally a provincial tax field and not one where the governments of Canada should be involved; but progressive governments—I don't say Progressive Conservative governments—have in fact done it. I don't think there is any—

Interjections.

**Mr. Speaker:** Order. Order. Proceed with the answer.

**Hon. Mr. Davis:** I would only say, in spite of the interjections from the member for Hamilton West, that there really isn't any contradiction between what the Treasurer said then and what is the policy of the government now.

**Some hon. members:** There certainly is.

**Hon. Mr. Davis:** With great respect, there isn't.

## STOUFFVILLE DUMP

**Mr. Smith:** Mr. Speaker, I have a question for the Minister of the Environment on the matter of the Whitchurch-Stouffville dump. Does the minister not recognize the futility of a policy of basically allowing industrial wastes to be dumped at a certain point in the land form where the aquifer below this unprotected site runs right to the water supply for the citizens in the area, and then testing like mad, with tens or hundreds of different tests, allegedly to reassure the people of the area that their water supply is just dandy?

Does he not recognize that it would make more sense simply not to use that geographic area for the dumping of toxic wastes? Does he not realize that as part of that area there was, at least in testimony, one so-called hole—I think it was number six if I am not mistaken—where thousands of tons of liquid waste were dumped and then just disappeared. It was one of these marvellous sink holes where the liquid went directly to the aquifer running towards the town.

Would the minister not agree that, rather than expand that area and then just keep testing repeatedly for whatever chemicals the ministry is now able to test for, it would make more sense simply not to expand that site but to close it down and put liquid waste only in those geographic areas that are suitable for the collection of it?

**Hon. Mr. Norton:** Mr. Speaker, I think it is important that I clarify some of the misapprehensions under which the Leader of the Opposition is labouring. First of all, there are not and have not been, as I understand it, any liquid wastes going into that site since 1975. It is correct that during the period prior to that, there was the deposit of some liquid wastes on that site, but I think it is important not to perpetuate the impression that there are liquid wastes being deposited there at the present time or that there have been in recent years.

The other misapprehension that the Leader of the Opposition is labouring under is technical information relating to the aquifer. If he had seen any of the hydrological data and information that is available, he would understand that the aquifer in that area does not move in the direction of the wells for the town of Stouffville. In fact, the movement in the aquifer is in a westerly direction while the wells for the town of Stouffville are in a southerly direction. I am not suggesting that that in itself is enough to allay all of the apprehension that exists—I am



not taking that position—but I do think it is important that the people not be told, either through questions or ill-informed answers on my part, that there are liquid toxic wastes being deposited there.

I think what the member has asked of me would be unwise at this point since there is a process that has been put in place to avoid the making of arbitrary decisions in matters of such critical importance as this. That process is under way and that is why the hearings are being held at the present time. I would intend to await the results of the hearing, the advice of the tribunal holding the hearing, and to weigh all the evidence that is available in order to make the most-informed and best decision I possibly can.

**2:30 p.m.**

The testing being done is being done very comprehensively. I want to reiterate that there is no evidence at this time of contamination of the municipal water supply and there is no evidence of contamination of the private wells that have been tested in that area. There was not even an indication of the normal kinds of leachate from landfill sites, harmless though they may be, found in the water supply, let alone anything that would be of a toxic nature. The levels of some of the substances that may be normally found in municipal water supplies in that area—for example, trihalomethanes—are lower than in almost all other municipal water supplies treated with chlorine in Ontario.

**Mr. Smith:** I thank the minister for correcting any impression I may have left that they are continuing to dump. Of course an expansion has been requested by the company; that was really what I was referring to.

Would the minister explain an answer given by one of his officials who, when asked by a local resident whether the local water supply could be used to mix with baby formula, suggested the woman consult her physician or the local health officer? Would the minister admit he has no idea whatsoever of what substances actually went into that dump during the 10 years or so of dumping prior to the regulation demanding some testing of material, and that the ministry can hardly even know what to test for—other than its usual screening test—since it does not really know what went in?

One last word: Would the ministry conduct a survey, in terms not only of birth defects or miscarriages but of the rates of cancer in that

area, so as to be able to allay the fears—if these fears happen to be groundless—of the people in the area?

**Hon. Mr. Norton:** In response to the first part of that question, I can only assume the reason a member of the staff of my ministry would respond in such a way to the concerned parent about the use of the water in the formula with which she fed her child was based on the fact that he is not a medical doctor. Presumably he was suggesting that if she were seeking a medical opinion, the appropriate source of that would be either her family doctor or the medical officer of health.

I do not believe there is a single medical doctor on the staff of my ministry. The medical advice we receive is through the staff in the Ministry of Labour, as the Leader of the Opposition will recall, since the reorganization a couple of years ago. I think that response was perhaps wise on the part of my staff member. I do not think that my staff should start giving medical advice if they are not medical doctors.

Interjection.

**Hon. Mr. Norton:** I do not proffer legal advice either in my present position, although I suspect that when I was in a position to do it on a regular basis, I would match my advice against the member's any day.

**Mr. Speaker:** Order.

**Hon. Mr. Norton:** With regard to the surveys that the Leader of the Opposition suggested we might make, I think that would be more appropriately referred to the Minister of Health (Mr. Timbrell). It is my understanding that some discussions have taken place and are taking place at the present time between the local medical officer of health and the ministry with respect to such surveys.

**Mr. Charlton:** Mr. Speaker, can the minister tell us why the official of his ministry, who was at the meeting in Stouffville last night, would make such a strong statement, saying the testing showed nothing and the water was safe, but then when he was offered a drink of water from one of the local wells he refused to drink the water and he backtracked on his statement and said, "I did not mean to imply by my statement that there were no problems in the water supply in the Stouffville area"?

**Hon. Mr. Norton:** Mr. Speaker, no, I cannot tell the member why that would be the case. I think the honourable member is obviously choosing what I would regard as a ridiculous example.

Interjections.

**Mr. Speaker:** Order.



**Hon. Mr. Norton:** I would suggest, if I were in a position to do it, that it might be more appropriate to ask the honourable member why he would choose to appear and make some of the statements he did at a public meeting, without first even bothering to check with the staff of my ministry to get any of the background information. At least the research staff of the Liberal Party has taken the trouble to get technical and background information from my ministry staff. The honourable member's staff has not.

**Mr. Breithaupt:** Supplementary, Mr. Speaker: The Minister of the Environment suggested that the Minister of Health might have some comments to make with respect to the survey and what might be included in it. Does the minister have anything to add?

**Hon. Mr. Timbrell:** Mr. Speaker, I did not hear that portion of the question, but let me just offer a few remarks.

Staff of my ministry in the persons of Dr. Andreychuk and Dr. Khazen, the former an epidemiologist and the latter an expert in matters relating to childbirth and problems in childbirth, have been in touch with the associate medical officer of health, Dr. Hodgkinson, since the story first appeared last Saturday or Sunday.

We have made available to Dr. Hodgkinson all the statistics we have for that county and that area to assist him in making an evaluation of this informal survey, which apparently was presented to the environmental assessment board last Thursday.

I might also point out that we made those statistics available to one of the newspapers yesterday. Unfortunately, they chose to print only one of the more distressing statistics. It pointed out that in 1978, for instance, the stillbirth rate for Stouffville was four times higher than the rates for the province or the region of York. What they did not point out was that in 1976 and 1977 the rate was below the regional and provincial averages and that in 1979 it was zero.

We are making all our staff and facilities available to the associate medical officer of health. Once they have completed the evaluation of the informal survey and the information available, if they conclude that an epidemiological study is needed, then of course we will make one, as we have in other similar instances elsewhere in the province. In this I am going to be bound by the advice of the associate medical officer of health and the epidemiologist. But if it is appropriate to include cancer or some forms of it, yes, they will be included.

## SEVERANCE PAY

**Mr. Cassidy:** Mr. Speaker, I have a question for the Minister of Labour arising out of his announcement about severance pay legislation and his partial implementation of the commitment made by the government before the House rose in December 1980.

Will the Minister of Labour explain why it is that once again the ministry and the government have chosen to discriminate against certain workers by restricting the severance pay provisions to workers who have five years of service or more?

Why will workers who may be aged 30, 40 or 50 or more but who happen not to have five years of service not benefit from a nickel's worth of severance pay under the legislation proposed by the ministry, particularly when all three parties in the select committee on plant shutdowns and employee adjustment recommended that severance pay apply on the basis of a week for every year of service to all employees and not just to those who have served five years?

**Hon. Mr. Elgie:** Mr. Speaker, just so the record will be accurate, this is not a partial fulfilment of the commitment. If the honourable member takes the time to read any of the material I issued or statements I made, this is a complete fulfilment of that commitment. So let there be no doubt about that.

I understand that nothing will ever be seen by the member for Ottawa Centre as being satisfactory, but let us recall what severance pay is all about, at least as I see it.

Severance pay has two elements to it. First, it is compensation for years of service rendered and, second, it is a recognition of the loss of certain seniority rights and other benefits that flow from long-term service.

From that point of view, and keeping in mind that we view this as pioneer legislation in North America, we feel we should take all those principles into account and ensure that severance pay is available for workers who have been with the company for five years, indicating a degree of permanence and commitment to that company. We feel that is a very logical approach.

**Mr. Cassidy:** Can the minister explain why it is that the government kowtowed to the chamber of commerce by accepting the chamber's amendment to the original proposal, which was endorsed by representatives of all three parties who sat and listened to management and to labour. The original proposal was endorsed a second time by all three parties when they came back to the question.



Why is the government now backing and filling and trying to curry favour with representatives of employers? If it is going to pioneer, why does it not pioneer in a way that will protect all workers affected by severances and shut-downs and not just a favoured few?

2:40 p.m.

**Hon. Mr. Elgie:** It may come as a shock to the member for Ottawa Centre, but there are some of us in political parties and political parties in general who are able to take a balanced view. That view allows us to look over what is happening in other parts of the world.

Following the member's logic, he would say the damned Labour Party in Britain did the wrong thing and they should not have had a two-year requirement. He would say that Mitterrand will immediately obliterate the period of requirement that exists in France. He would have said that the only state in the United States that has anything, Maine, was wrong in setting out a period of work as a requirement to indicate a degree of permanence to the employment and a commitment to the company.

We happen to think that is a valid principle on this side. I think most thoughtful workers in society will agree with that.

**Mr. Cassidy:** The select committee was studying other questions in addition to the question of severance. The minister will agree that the question of adequate notice, the question of making companies justify plant shutdowns and the question of a community adjustment fund—all proposals which came from the New Democratic Party—are as important to the communities and to the workers affected as is the question of severance pay.

Will the minister now make a commitment that at least six months' notice will be required in the case of shutdowns of larger companies, that companies will have to justify shutdowns and that there will be a community adjustment fund? If the minister will not make that commitment, will he agree to allow the plant shutdown committee to be re-established to come up with recommendations on those very important areas of study?

**Hon. Mr. Elgie:** The honourable member has overlooked a number of initiatives this government has undertaken to deal with some of the inequities for workers who are facing dislocation.

The member knows very well that Bob Joyce now has a very active plant closure committee

that intervenes and becomes actively involved in plant closures. That committee includes representatives of the ministries of Industry and Tourism, Intergovernmental Affairs and Education to bring the resources of the government from various aspects to bear on particular problems.

The member also knows that this bill includes two other portions, both of which were rejected by this House last December but which in my view were very essential and very important. I think this government has recognized in a thoughtful and sincere way the true issues facing workers in dislocation where a plant closes down.

**Mr. Martel:** Supplementary, Mr. Speaker—

**Mr. Speaker:** That was the final supplementary. Mr. Cassidy with a new question.

Interjections.

**Mr. Speaker:** Just by way of explanation, I have been allowing the leaders of the parties one supplementary in addition to the question, and then we go back and forth. It was the official opposition's turn to stand up when Mr. Cassidy asked his second supplementary, but nobody did and therefore I allowed Mr. Cassidy two supplementaries in a row.

#### URANIUM PRICES

**Mr. Cassidy:** Mr. Speaker, I have a question of the Premier, in the absence of the Minister of Energy (Mr. Welch), about what action the government intends to take to protect Ontario Hydro consumers from the consequences of the uranium cartel, which has been under study in Ottawa for the past several years.

In view of the fact that Hydro is buying uranium today at a price that is about \$20 more than the prevailing world price, and in view of the fact that the contracts for overpriced uranium which Hydro has entered into were entered into with the companies that were a party to the cartel under study in Ottawa, the purpose of which was to drive the prices up, will the Premier say what the government is going to do and what the government has done to protect people in Ontario against that gouging by the uranium companies?

**Hon. Mr. Davis:** Mr. Speaker, I only go by press reports and what has been speculated upon by the press. As I mentioned to the very distinguished member for Grey-Bruce (Mr. Sargent), this government is not aware of any, quotes, cartel. I think it is fair to state that the contract between Ontario Hydro and Rio Algom

and Denison reflected the market conditions that existed. I can just tell the leader of the New Democratic Party that I know nothing of a, quotes, cartel. I think that was stated last Wednesday or Thursday.

**Mr. Cassidy:** The Premier seems to be as blind to this as the Prime Minister, who is trying to pretend no investigation has been under way over the course of the last few years by the Restrictive Trade Practices Commission.

In view of the fact that at today's prices Ontario Hydro is spending at least \$50 million more a year for uranium than it would have to spend if it were buying the uranium in the world market, will the Premier say whether the government has taken any legal advice about how to break the contracts it now has with Rio Algom and Denison Mines to get uranium at the cheaper world prices and to benefit the consumers of electricity in the province?

**Hon. Mr. Davis:** I am of course delighted to see the leader of the New Democratic Party has now become so committed to nuclear energy. I am not aware that the government of Ontario has sought any legal advice whatsoever in this matter.

**Mr. Sargent:** Supplementary, Mr. Speaker: As a result of the discussions in Ottawa, the Premier must know that because of the cartel the price of hydro in Ontario has escalated to a great degree because of the cost of uranium. I want to ask him a simple question that he should be able to answer.

If there is a parallel set by Westinghouse breaking its agreement with the cartel, why the hell can he not go to bat for Ontario and try to break this contract with Denison Mines? We have to live with the \$7.5-billion contract until the year 2010. We are stuck with it, but he can break it if he goes to court. With all the powers he thinks he has, why does he not try it?

**Hon. Mr. Davis:** Mr. Speaker, I would rephrase the latter part of the honourable member's question: it is all the powers he thinks we have.

**Mr. Sargent:** Come on. Get down to it. Answer the question.

**Hon. Mr. Davis:** I will get down to brass tacks. I will just say what I said to the member the other day. Other than what I read in the press, I do not know anything about a, quotes, cartel. I should also point out that, according to what I read, a good part of the nuclear generation existing in Ontario took place in terms of the energy capacity or the fuel source prior to the possibility of a, quotes, cartel. I make that abundantly clear.

**Mr. Foulds:** Supplementary, Mr. Speaker: Did the Ministry of Energy, Ontario Hydro or any of the Premier's staff not draw to his attention testimony about the cartel by one Sinclair Stevens, a person with whom I assume he has some passing acquaintance, before the select committee on Ontario Hydro affairs when the select committee was considering the uranium contracts with Rio Algom and Denison?

**Hon. Mr. Davis:** Mr. Speaker, the honourable member is quite correct. I have a passing acquaintance with that distinguished member of the federal Progressive Conservative Party caucus in Ottawa. I think it is also fair to state I do recall some discussions related to that matter before the select committee.

#### VAUGHAN LAND USE

**Hon. Mr. Bennett:** Mr. Speaker, I wish to reply to a question asked Tuesday by the Leader of the Opposition (Mr. Smith) concerning the official plan amendment number 95, Purpleville in the town of Vaughan. The opposition leader has taken up considerable time on this matter. I hope a rather detailed response to the whole issue will not be objected to.

**Mr. Roy:** Mr. Speaker, a point of order: The minister seems to have about—Mr. Speaker, are you going to listen to my point of order?

**Mr. Speaker:** Yes.

**Mr. Roy:** Thank you.

Interjections.

**Mr. Roy:** If the Speaker is up, I have to sit down.

**Hon. Mr. Pope:** Settle down. Show some respect.

**Mr. Roy:** What has happened to him since he became a minister? He gets so excited.

My point of order is simply this: The standing orders of this Legislature require that, if an answer is going to be of some length, it be made in the statements preceding question period. The rules clearly state that.

I am suggesting—and the minister has opened his statement by saying he is going to give a long and detailed answer—that it should have been done in statements. If it is allowed, Mr. Speaker, I am asking you to give more time to the question period so that minister does not abuse the rules of the question period.

**Mr. Speaker:** I have no idea, obviously, of the length of the answer.

**Mr. Roy:** I saw five pages there.



**Mr. Speaker:** They may have been empty. I will listen to the answer and make a decision later.

**2:50 p.m.**

**Hon. Mr. Bennett:** May I say that over the last few days there have been at least five or six questions in relation to this issue.

The Leader of the Opposition has intimated quite clearly that the Minister of Agriculture and Food (Mr. Henderson) and I overruled our respective staffs' opinions at the call of some mysterious developer.

As the minister responsible for planning in Ontario, I believe it is my responsibility to listen to the opinions of any individual or group that wants to comment on official plan changes. This includes developers, members of this Legislative Assembly—including Liberal MPPs—municipal leaders, lawyers, the general public and staff of various ministries of this government.

I also want to state for the record that this amendment was submitted to me by the town of Vaughan, not by a developer or a land owner. When a proposal to amend the official plan is received by my ministry, it is a serious matter and is treated as such. The opposition often complains about the length of time it takes for an official plan amendment to come about, particularly if it is favourable to one of their friends. I try to explain that the time needed is because of some very thorough circulation in the review process.

When we receive the comments of the many agencies involved in the review process—and in this particular case there were 12 agencies involved—the ministry staff has the job of trying to analyse them and put them into some sort of perspective. When they come across a point that is unclear in a comment, they try to clarify it to be as fair as possible to all parties concerned. In this particular case, there were no comments or objections received from seven agencies, comments from two, objections from one, and there were two outstanding replies at the time of my referral to the Ontario Municipal Board. These were received in my ministry from July 1978 until October 1978.

During that period, we also received notification of two objections to the amendment. The first was represented by Mr. Webb and the second by Mr. Chusid, representing another adjacent land owner. I want to point out to the House that during the questioning on this subject it always appears that Mr. Webb represented the owner of the land within the amendment area. Mr. Webb represented people who

were opposed to the ministry approving the amendment and had asked that it be sent to the Ontario Municipal Board.

The letter from the Ministry of Agriculture and Food had objections to parts of the lands affected but no objections to other parts. For this reason, on November 29, 1978, my officials asked that ministry to clarify its position.

I know the Liberal staff was very interested in looking for a personal letter from myself to the Minister of Agriculture and Food; so it may have missed the staff letter. I will be glad to send it over to the Leader of the Opposition for his files if he wishes.

My staff did this, because this ministry tries to be fair to all sides. If there is any doubt in the meaning of the recommendation, then we are certainly not embarrassed in any way in trying to clarify it.

The week after my staff asked for clarification, Mrs. Santo of my plans administration division visited the site herself. This was still in December 1978. The memo the Leader of the Opposition quoted from on Tuesday was from January 25, 1979.

On December 11, we received the reply and clarification from the Ministry of Agriculture and Food that my staff had requested. In mid-January 1979, the consultant representing the owner of the affected lands wrote to the ministry requesting that we refer only part of the amendment and approve the rest.

On January 25, Mrs. Santo wrote the memo the Leader of the Opposition quoted from on Tuesday. Unfortunately, he omitted to quote the recommendation at the bottom. It said, "The ministry should talk in terms of total referral because of Agriculture's objections."

About a month later, on March 8, 1979, I did exactly as my staff recommended and referred the entire amendment to the OMB for its consideration. The Leader of the Opposition's allegation that I overruled my staff is totally false. The only recommendation I received from my senior staff was that I refer the official plan amendment from Vaughan, number 95. This I accepted and acted accordingly.

I must say at this time that I am a little tired of the sanctimonious position continually taken by members of the second party.

Interjections.

**Mr. Speaker:** Order. Proceed, Mr. Bennett.

**Hon. Mr. Bennett:** My ministry prides itself in trying to be of help to its client group; that is a very large group of all the people of this

province, and not just developers, as other parties would like the press to think. The members of the opposition are among the first to come to me or my colleagues to try to find ways of assisting their friends or constituents, but evidently they feel that only they are able to take that privilege.

As an example, last fall the member for Kent-Elgin (Mr. McGuigan) asked the Minister of Housing to intervene on behalf of a developer in his area whose subdivision plan had been objected to by the same Ministry of Agriculture and Food. We were pleased to support his request for a further review and, as a result of some give-and-take on both sides, the draft subdivision plan has been approved. I am sure that when the member returns to this House he will be glad to attest to that.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Bennett:** A few weeks ago the member for Wentworth North (Mr. Cunningham) asked for the Ministry of Housing's support against objections by the Ministry of Agriculture and Food on a development by one of his constituents in Ancaster. I am sure he will remember that particular case as well.

Interjections.

**Mr. Speaker:** Order. Proceed, Mr. Bennett.

**Hon. Mr. Bennett:** I certainly hope and trust that the Leader of the Opposition will remember his letter to me in August 1978, when he requested—excuse the expression—“a much more liberal view of what has been classified as fruit lands around Hamilton-Wentworth.” He felt that the fruit land designation was holding up needed industrial development.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Bennett:** He specifically stated that we should support changing the zoning because it was “the wish of the municipality.” Members will recall that Purpleville amendment was submitted to me by the municipality of Vaughan. The Leader of the Opposition is well aware that the fruit land designation was indeed changed; the area has been zoned as industrial land and will never again grow fruit, owing in part to the Leader of the Opposition's intervention.

Interjections.

**Mr. Speaker:** Order. Continue, Mr. Bennett.

**Hon. Mr. Bennett:** I apologize for the length of this response, Mr. Speaker, but my ministry and I responded in each of these cases. If these

letters had been from the back benches on the Conservative side of this House I am sure they would have been waved around this House by the Leader of the Opposition and others as living proof that this government was not committed to the food land guidelines of the province.

As Minister of Housing, I make absolutely no apologies for responding to requests to expedite or conciliate decisions on matters that come before me. Whether these requests come from developers, municipalities, municipal politicians or even from members of this Legislature, I will use my office as best I can in this regard in the future.

**Mr. Speaker:** That was indeed a lengthy and detailed answer. I will extend the oral question period by six minutes.

**Mr. Smith:** Mr. Speaker, obviously there will be time to respond to some of the alleged cases brought up by the minister. But to deal with the single matter under discussion right now—

**Hon. Mr. Grossman:** Now.

**Mr. Smith:** I am quite prepared to do it now, but this is the question period.

I ask the minister, despite the smokescreen, to focus back on the main issue, which is that the Minister of Agriculture and Food stated that the reason he sent his parliamentary assistant, the member for Elgin (Mr. McNeil), to overrule his own people in the ministry was that he was asked by the Minister of Housing to withdraw the objection of the Ministry of Agriculture and Food.

**3 p.m.**

If the Minister of Housing says his only action in all this was to refer the entire parcel because the parcel was in violation of the estate guidelines, as Mrs. Santo suggested in the memo the minister has just quoted, then why did the Minister of Agriculture and Food say that the reason he sent his parliamentary assistant out there to remove that objection was a request of the Minister of Housing?

If the Minister of Housing was prepared to leave those objections and let them stand on the record, why did he request the Minister of Agriculture and Food to overrule his own officials?

**Hon. Mr. Bennett:** Mr. Speaker, first of all, I did not ask the Minister of Agriculture and Food to overrule his official. I very clearly asked him to review the situation. I think I made that point already—



**Mr. Smith:** If you agreed with Mrs. Santo, why did you have to ask the minister to review it?

**Mr. Speaker:** Order.

**Hon. Mr. Bennett:** As the minister representing the planning of this province, when I have a number of requests and reviews then it is my responsibility to try to clarify the position if we are going to send it on to the Ontario Municipal Board because obviously, if we do not, the municipal board has the right to come back and ask for further clarification.

The fact is that in the House this afternoon I quoted in complete detail those that had responded to the request of our ministry in relation to official plan amendment number 95. I indicated clearly that there had to be some unclarity in the letter that was sent by the Minister of Agriculture and Food, and we asked for it to be clarified for our purposes.

The honourable member should not sit there shaking his head. His research people brought him the memo out of the file; they duplicated it. It says very clearly that part of the land was not of use for agricultural development and that there were other parts of it that would be. So we asked for a clarification, because to us the letter was not that specific.

**Mr. Smith:** The letter was absolutely clear. There was nothing unclear about the letter.

**Mr. Speaker:** Order.

**Hon. Mr. Bennett:** I suggest to the Leader of the Opposition as well that if he looks at the estate guidelines—and they are just that; they are not policy—they are to give municipalities of this province some indication of how they should try to judge situations.

**Mr. Smith:** You said you agreed with Mrs. Santo. Make up your mind.

**Hon. Mr. Bennett:** I read what Mrs. Santo said, and I did exactly as requested in the advice given to me by Mrs. Santo, who is very well received for her planning expertise in this province. I sent it on to the municipal board, which has made its ruling and decision.

**Mr. Cassidy:** Supplementary, Mr. Speaker: Since it now appears that the official opposition is trying as hard as the government to undermine the food land guidelines, which are meant to protect farm land in the province, does the minister agree that it is time the government of Ontario brought in legislation that will protect farm land and keep it in farming in perpetuity?

**Hon. Mr. Bennett:** No, Mr. Speaker.

## DATING OF GROCERIES

**Mr. Roy:** Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations.

Will the minister advise whether he is familiar with a survey made by the Ottawa Citizen and published in the June 3 Citizen? The survey concerns the process whereby grocery stores and major food chains are obligated to stamp a “best before” date on packaged meats and other items with a shelf life of 90 days or less.

The Citizen survey clearly indicates that, at least in the Ottawa-Carleton area, customers are being cheated, misguided and misled by these stamps. According to the survey, there is evidence that some shelves are filled with packaged meats that are sometimes two weeks past this “best before” date. When a clerk was asked about this, he stated very simply: “We wrote the old ones off today but forgot to throw them out.”

Will the minister undertake to review this situation, possibly with his federal colleague, to assure that the consumers of Ontario—because I suspect what happens in Ottawa-Carleton may well happen right across the province—are protected and that the grocery chains or stores are not allowed to mislead the consumers with these tags?

**Hon. Mr. Walker:** Mr. Speaker, if I understand the member for Ottawa East correctly, what he is saying is that the dates have long gone by and that there is a report relating to that in the Ottawa newspaper. I would appreciate receiving a copy of that report, if he has a copy today. I have not been made aware of that.

However, I think that where it does say the product is best before a certain date and that date has then been passed, the average consumer would take a look at that and say, “I am not going to buy this item because it is stale-dated.” That would seem to me to be a logical answer for the benefit of the consumer, although perhaps there may be some people who would not pay any attention to the date and they might pick up the article.

Fortunately, most people shop by checking the dates. Whenever I do the shopping I look at these dates and I know my family does. Probably every family looks at the dates to make sure the products are not stale-dated. That is why the labels are there.

**Mr. Roy:** Supplementary, Mr. Speaker: The minister’s supposition would seem to have logic except that in many of these grocery stores the

stamping on the packages is made in very minuscule type, and in some cases with white ink and it is not visible.

The other aspect of this is that in some grocery chains they are mixing stale-dated items with items that are not past the date. The consumer thus is misled into thinking that all the packages on a particular shelf are within the proper date. That is why I am suggesting to the minister he might review the situation. I intend to let the minister have a copy of the story.

I appreciate this is a federal responsibility, but I would ask if the minister is prepared to get in touch with his federal colleague to ensure that the regulations are followed in Ontario.

**Hon. Mr. Walker:** Once I have the details I would certainly like to look into the question. The honourable member is quite correct that it is a federal responsibility, and we would not take over their responsibility in that area; but we will certainly look at it, and if there is a matter to be raised with them we will draw it to their attention very quickly.

**Mr. Newman:** Supplementary, Mr. Speaker: I suggest to the minister that any time meat products are on the counters after their given date the store should be required to put on an additional tag of a different colour, preferably in some fluorescent colour. The purchaser then would know he is buying meat that is older than the period it was originally tagged for.

**Hon. Mr. Walker:** I think in many respects we have to develop the philosophy that a consumer has to be self-reliant. If the store puts a message on a roast of beef that says it is best before a certain date and the person finds that roast is stale-dated and still goes ahead and buys it, there comes a point where the consumer can be protected only so far. I do not think the member would want us to stop the consumer from stepping out in front of a car should he choose to do that.

It is up to the consumer to satisfy himself. When a particular grocery item is seen to have been stale-dated, surely to goodness the consumer should have the responsibility and the capacity to figure this is not the item he really wants.

**Mr. Newman:** You have the responsibility.

**Hon. Mr. Walker:** No, I do not have.

Interjections.

**Mr. Speaker:** Order, please. I would ask all members of the House to refrain please from private conversations. It is very difficult for

both the questioner and the minister involved to hear either the question or the reply. Thank you very much.

### STOUFFVILLE DUMP

**Mr. Charlton:** Mr. Speaker, I have a question for the Minister of Health. With reference to his response on the supplementary question to the Minister of the Environment (Mr. Norton), can the minister tell us, especially in the light of what he said in his response, why his ministry staff would not do some follow-up when they saw that in the study that was done in 1978 the rate of stillbirths in Stouffville had all of a sudden jumped to in excess of four times the provincial average, while in 1976 and 1977 it had been below the provincial average? Why would they not go in there and find out the cause?

**Hon. Mr. Timbrell:** Mr. Speaker, I am told by the epidemiologists that in dealing with that size of population a one-year aberration is not something that is significant. It is something to be taken as a sign and to be followed up. The year after that, the rate in that area dropped to zero—none whatsoever. The epidemiologists advise me it is a one-year aberration which does not, from their experience, indicate a problem.

3:10 p.m.

**Mr. Charlton:** Presumably then, the minister has now decided to do a study or see that a study is done as a result of the survey that was done by the citizens, which I believe shows a rate in 1980 in excess of 30—which tends to substantiate, even if it is an unscientific study, the high rate in 1978 and shows something may be wrong. Is he prepared to advise the Minister of the Environment that no approval should be given for the expansion of that dump until such time as there is some kind of confirmation from that study that the problems that appear to be in Stouffville do not emanate from that dump?

**Hon. Mr. Timbrell:** It is not at all clear at this point whether the medical officer of health will find there is a need for a further study. As I indicated to the honourable member, the statistics we have available and which we provided to them would indicate that the year 1978 was an aberration. In the two preceding years the rates were about half the rates for the region and the province. As indicated, in the year following that, 1979, the rate was exactly zero.

**Mr. Cassidy:** What an attitude.

**Hon. Mr. Timbrell:** The attitude, Mr. Speaker, is very simple.



**Mr. Cassidy:** If the figures go up they say it is an aberration and they ignore it. That's irresponsible.

**Mr. Speaker:** Order. Order.

**Hon. Mr. Timbrell:** The point is, we are dealing with a science. If there is a need for a follow-up study based on not just that one, we will participate. I just pointed that one out because I was concerned that the newspaper was given all the facts but chose to highlight only the more sensational of them—not the fact that the rate had dropped to absolute zero the year after and had been only half the provincial rate in the preceding two years. If there is a need for a follow-up study, I have already said we will participate and assist the local health unit to do that.

Of course, one of the things we will be considering is that informal survey. To my knowledge, we have not yet received a copy of that informal survey, but they will be looking at not only the questions but the definitions they were using to see if they were appropriate and how they would fit with the other facts we have. Then they will make a decision on what is in the best public interest. That is our main concern.

**Mr. Charlton:** Since Dr. John Hodgkinson, the assistant medical officer of health, seemed to be saying to the public last night that he was negotiating with the ministry to see that a study occurred, and he certainly gave the public in Stouffville the impression that he felt it was necessary, will the minister see that it occurs? Will he see that no decisions are made on expanding that dump until such time as there are some definite conclusions?

**Hon. Mr. Timbrell:** It is my understanding that the hearing is in the early stages, so I doubt they would make a decision one way or the other for some time. But I have already answered the honourable member's question. If Dr. Hodgkinson has made that determination we will work with him. As I said earlier, two eminently qualified people in the Ministry of Health have been in touch with him since the story first appeared in the press. If he has made the determination that there is a need for a follow-up survey, then we will work with him to see that it is done.

#### STOL SERVICE

**Mr. Piché:** Mr. Speaker, my question is to the Minister of Transportation and Communications. It deals with the introduction of the Toronto Island STOL service. As the minister is

no doubt aware, the transportation of people is a vital government responsibility, and perhaps the most important factor in providing for the development not only of the north and the wellbeing of its citizens but of all of Ontario.

The introduction of a STOL service to link the downtown business district of Toronto to the city centres of Ottawa and Montreal has been adopted by all three levels of government in this province. There is no question that STOL will provide a valuable service to the travelling public, including the business community in this country.

**Mr. Speaker:** Would the minister not agree?

**Mr. Piché:** I am concerned that the minister has not considered how vital such a service would be to the citizens of northern Ontario. I would like to know if the minister has considered just how valuable a STOL service would be to the many small communities in northern Ontario that are not served by a regular direct flight to Toronto International Airport, and when we can see a priority in getting this most important project under way. Regularly scheduled flights using the DASH-7 aircraft from northern communities would allow greater accessibility to the unique services provided by this government in the city of Toronto, particularly in the fields of health care, education, government and so on.

**Mr. J. A. Reed:** Who wrote that question?

**Mr. Piché:** I did.

**Mr. Speaker:** Question, Mr. Piché.

**Mr. Piché:** I believe we must look beyond the obvious benefits to the city of Toronto and—  
Interjections.

**Mr. Speaker:** Order, please.

**Mr. Piché:** —to the benefits such services will provide for all the people of Ontario.

**Mr. Speaker:** Would the minister not agree?

**Hon. Mr. Snow:** Mr. Speaker, I am not sure I got the total content of that question. Perhaps I should ask for it to be repeated but—

**Mr. Speaker:** Please do not.

**Hon. Mr. Snow:** Perhaps it would be better if I accepted that statement as notice and replied to the honourable member. I do agree with the basic concept, of course, that a STOL service into Toronto is very important. I have supported it for a number of years. I understand the vote is being taken at city council today to deal with the recommendation of the executive committee. If there has been a result of that vote, I have not heard it.

I certainly agreed with the member's support for STOL service and the STOL service supplied by norOntair to 20 communities in northern Ontario. Two new DASH-8 aircraft have been ordered to expand that service, and I am sure there will be new DASH-7s there some time.

**Mr. Laughren:** Supplementary, Mr. Speaker: My question to the minister is, in view of the fact that I believe the honourable member who asked the question has an airplane, would the minister satisfy himself there is no conflict of interest on behalf of that member?

**Hon. Mr. Snow:** I did not know the honourable member had an airplane. I have an airplane and I do not think there is any conflict of interest.

#### MULTICULTURAL ARTS BUREAU

**Mr. Ruprecht:** Mr. Speaker, a question to the Minister of Culture and Recreation: In view of the fact that the Ontario Arts Council has established a Franco-Ontarian bureau in order to develop and promote the arts and culture within the francophone communities of Ontario, is the minister willing to establish a multicultural bureau to promote arts and culture within the multicultural communities?

**Hon. Mr. Baetz:** Mr. Speaker, as the member for Parkdale well knows, we have already established the Ontario Advisory Council on Multiculturalism and Citizenship, and it is certainly doing a lot of the things that a division like that within the Ontario Arts Council might possibly be doing. There is also a Multicultural Folk Arts Council operating in this province. In addition to that, the Ontario Arts Council, as it is now constituted, is very sensitive to the fact that many of its members and the people who participate in it are drawn from all the ethnic communities within the province. So I think that in terms of what I suspect is at the back of that question, that need is now being quite fully met.

3:20 p.m.

**Mr. Ruprecht:** The minister has indicated just now that he and his department are sensitive. May I point out that the only cut in his budget in terms of culture and recreation was a part of multiculturalism. I am asking the minister, if he wants to be sensitive, would he please tell this House how he can be sensitive when the only part being cut in terms of multiculturalism is in the citizenship branch?

**Hon. Mr. Baetz:** No, not cut; as I tried to explain about four or five times, and as my staff tried to explain to the honourable member for Parkdale during our estimates, there are no cuts in the multicultural activities of my ministry. In fact, there is an increase. We tried to explain that to the member four or five times. If the member for Parkdale wants me to, I will try to draw a diagram for him to show that there are no, repeat no, cuts in the multicultural program of my ministry; none whatsoever.

#### REPORTS

##### STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Shymko from the standing committee on social development presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr10, An Act to incorporate London Baptist Bible College and London Baptist Seminary.

Your committee would recommend that the fees, less the actual cost of printing, be remitted on Bill Pr10, An Act to incorporate London Baptist Bible College and London Baptist Seminary.

Motion agreed to.

Mr. Shymko from the standing committee on social development presented the following resolution:

That supply in the following amounts and to defray the expenses of the Social Development policy be granted to Her Majesty for the fiscal year ending March 31, 1982: Social Development policy program, \$2,754,000.

#### INTRODUCTION OF BILLS

##### ONTARIO GUARANTEED ANNUAL INCOME AMENDMENT ACT

Hon. Mr. Ashe moved, seconded by Hon. Mr. Ramsay, first reading of Bill 94, An Act to amend the Ontario Guaranteed Annual Income Act, 1974.

Motion agreed to.

##### EMPLOYMENT STANDARDS AMENDMENT ACT

Hon. Mr. Elgie moved, seconded by Hon. Mr. Wells, first reading of Bill 95, An Act to amend the Employment Standards Act, 1974.

Motion agreed to.



### WORKMEN'S COMPENSATION AMENDMENT ACT

Mr. Haggerty moved, seconded by Mr. Ruston, first reading of Bill 96, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

**Mr. Haggerty:** Mr. Speaker, the purpose of this bill is to broaden the criteria used for the Workmen's Compensation Board in assessing the impairment of earning capacity resulting from an injury that causes permanent disability.

The act currently states that the impairment of earning capacity shall be estimated on the nature and degree of the injury. The board is authorized under the act to compile a rating schedule of percentages of impairment of earning capacity for specific injuries that may be used as a guide in determining the compensation payable in cases of permanent disability.

The bill repeals the provision that authorizes the board to compile a rating schedule, and directs the board to estimate the impairment of earning capacity in the light of all the circumstances of each individual case.

**Mr. Foulds:** Mr. Speaker, I have three bills to introduce. If it is agreeable to the House and to the member for Brant-Oxford-Norfolk (Mr. Nixon) I will give the explanation for all three at the end of the third bill.

### FUNERAL SERVICES AMENDMENT ACT

Mr. Foulds moved, seconded by Mr. Swart, first reading of Bill 97, An Act to amend the Funeral Services Act.

Motion agreed to.

### FUNERAL SERVICES AMENDMENT ACT

Mr. Foulds moved, seconded by Mr. Swart, first reading of Bill 98, An Act to amend the Funeral Services Act.

Motion agreed to.

### FUNERAL SERVICES AMENDMENT ACT

Mr. Foulds moved, seconded by Mr. Swart, first reading of Bill 99, An Act to amend the Funeral Services Act.

Motion agreed to.

**Mr. Foulds:** Mr. Speaker, I introduced them as three separate bills because when I first introduced the package as one bill it was defeated by the government. I thought they might be able to take one of the ideas at a time.

The legislation makes it compulsory for a funeral director to provide an itemized price list

to a purchaser of funeral services. Second, it prevents a funeral director from embalming a dead human body unless he is specifically instructed to do so by the purchaser of the services, or unless the body is to be transferred out of the province. Third, it permits people who are not funeral directors to provide funeral supplies.

More and more people are looking for simplicity and dignity in funeral services. These bills are designed to provide that, and to provide consumer protection at a vulnerable time in the purchaser's life.

3:30 p.m.

### MOTION TO SUSPEND NORMAL BUSINESS

**Mr. Smith:** Mr. Speaker, I rise before the orders of the day to move that the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely, the increased tax burden imposed on the people of Ontario by means of the devious ad valorem gas tax, particularly as a consequence of the new retail gasoline price increase announced on Tuesday, June 2.

**Mr. Speaker:** I advise all honourable members that the notice of motion was received in time and complies with standing order 34. I will be pleased to listen to you, Mr. Smith, for up to five minutes as to why you think the ordinary business of this House should be set aside.

**Mr. Smith:** Mr. Speaker, few people in Ontario could have foreseen a year ago, six months ago or even on budget night that there would be massive increases in the price of gasoline over and above those that had already been agreed to under the national energy program at that time. In fact, the government of Ontario, having taken a lead in trying to prevent increases in the price of gasoline, had gained a certain prominence. It can honestly be said that its fortunes at the polls were going down until it took a very strong stand against Mr. Lougheed and those others who wanted to increase the price of gasoline drastically.

It could not have been foreseen even when the Treasurer (Mr. F. S. Miller) presented his budget here that with this new tax he would be digging his hand so deeply into the pockets of ordinary Ontario citizens less than a month later. Because of a combination of circumstances in which the Premier of Alberta followed a policy of reducing supply and the federal government was obligated, in view of the low

Canadian dollar, to increase drastically the price of gasoline in order to keep the import compensation fund in balance, it could not have been foreseen that there would be such a rapid increase in the price of gasoline.

The Treasurer's own figures indicate he did not foresee that kind of rapid increase in price. His estimates of what he expected to derive from this new gas tax are far lower than what he will derive from the gas tax as a consequence of these increases in price.

In the short time we have available, we are not debating whether the increase in price is a justifiable matter or not. The simple fact is that the Ontario government has felt for some years that Ontario citizens—and I believe the Minister of Industry and Tourism (Mr. Grossman) himself said that Ontario industries—are hurt by rapid increases in the price of gasoline. Therefore it seems inconsistent in the extreme to have a policy that complains on the one hand of rapid increases in the price of gasoline and then magnifies every such increase by piggybacking upon them in a manner to gouge all the more money out of the citizens of Ontario.

Not only is this unfair to our citizens, it has also certainly weakened our posture in any federal-provincial negotiations on the subject of energy pricing. Surely every logical person can see that.

The interesting thing is to see the contrast with the government's stated policy before the election. If this government itself was not engaging so frequently in false advertising, it might take itself to court on the basis of the amount of false advertising done in this election campaign.

Not only did the Premier (Mr. Davis) ask for a mandate to avoid tax increases and then come up with a tax upon a tax upon a tax, in addition he said that increasing the price of gasoline represented a raid on the taxpayers of Ontario, a raid he now not only has joined but magnifies at every opportunity. It was the Premier who said, "We will continue to resist windfall profits for provincial treasuries and petroleum companies." In fact, a windfall is now going to occur into the provincial Treasury of Ontario. Whether he wants to call it a profit or not, it is a windfall for that Treasury based on the fact that the price of gasoline has gone up more than we expected it to in recent days.

What has happened is that the ordinary taxpayer is now being forced to bleed for an extra \$53.6 million on a yearly basis simply because in other jurisdictions the price of gasoline has been affected so that it increases.

The Premier of Ontario is piggybacking upon those increases at the expense of ordinary citizens.

It was the same Premier who said in 1979 that large oil price increases were "tantamount to restoring bleeding as a medical cure-all." Not only is the bleeding going on, we now have that same person squeezing the veins for every bit of extra blood he can get. Whenever the knife is being plunged into the taxpayers of Ontario by oil companies, other provinces, world events or people in other parts of the world, there is the Ontario government plunging the knife in more deeply.

The ordinary business should be set aside because of this unforeseen event which will bleed the taxpayers unfairly.

**Mr. Cassidy:** Mr. Speaker, I should like to join in urging you to permit this emergency debate despite the fact the gasoline tax is now being debated before the Legislature in a separate bill.

By virtue of an action of the federal government we have seen a sudden increase in provincial taxes which Treasury officials estimate at \$40 million or \$50 million dollars. That has been done without any participation as far as this Legislature is concerned. That will continue every time there is some other increase because of Alberta, the sheikhs of Arabia, Marc Lalonde, the Petrofina surcharge, increases by refiners, or because of increases in the cost of gasoline at the retail level. That is going on and on; and that kind of hidden tax increase, brought about without involvement of the Legislature, is not only wrong in principle, it will have very destructive economic effects on our province.

Taking the terms of the national energy program, there would be an additional \$100 tax on the average family in Ontario because of the gasoline tax. We have seen only the beginning of this; this is on top of that increase already mandated because of increases under the national energy policy.

We have to have a means of discussing what is happening in terms of energy pricing in Ontario and every means conceivable should be used by this Legislature because of the importance of the issue.

The Treasurer made a statement on December 13, 1979, a time when the Ontario government was busily destroying the stay in power of Joe Clark and when it was making it perfectly clear it was opposed to the policy of higher energy taxes. The Treasurer said, among other



things, "The federal government is not proposing to ease its budget deficit with those revenues."

That is precisely what is happening here, and now we have a windfall addition to the resources with which the Treasurer can ease budget revenues, something that two years ago he said he was adamantly opposed to.

At that time the Treasurer said he was greatly dismayed the federal government intended to levy a tax on fuels used in public transit. We have today seen a further increase in the federal tax which will result in a further increase in the provincial tax which will go on public transit. This service surely should be encouraged rather than discouraged by this government. At that time, the Treasurer said the government of Ontario was strongly opposed to price increases on petroleum that went beyond the current federal-provincial agreement. Now it appears they have reversed their position completely.

This is an issue which goes far beyond one bill which is before the Legislature. We have graphic and dramatic proof that, either through his crystal ball or through his forecasters, the Treasurer anticipated what was going to happen in Ottawa and decided he wanted to ride with it. He decided to get unearned revenues for the province in a way he himself was saying a year or so ago would lead to higher levels of inflation, to a drop in consumer and business incomes, to an increase in the price people would have to pay for heating oil and gasoline, which it is doubtful would lead to any increase in energy conservation and which for many reasons, according to the Treasurer himself, are unfair.

**3:40 p.m.**

If the government believed that in 1979, I ask myself why do they not believe the same thing today and why do they not act on it, if it is a matter of high policy going far beyond the one bill? When the government opposed the actions of the Joe Clark government in 1979, then we need an explanation which we can only get from an emergency debate today as to why the government is prepared to go along under Liberals with what they opposed under Conservatives back in 1979. That is why I believe we should have the debate, and that this is a matter of urgent public importance affecting everybody who drives a car, or rides a TTC bus, or an OC Transpo bus, or rides public transit in Ontario.

**Hon. Mr. Wells:** Mr. Speaker, I find myself in the very enviable position today of being able to

present a solution to both parties opposite who wish to dispense with private members' hour and debate the matter of the just announced federal increase on gasoline tax instead. We can do that, I submit to you, and still preserve the integrity of the standing orders of this House.

I think I have spoken many times before on motions to suspend routine proceedings and proceed with an emergency debate. I think we have all agreed that one of the criteria, and I think I said this a few weeks ago, is if there is a possibility of the matter being brought before the House in time by some other means. That has always been, I submit, one of the criteria for this particular standing order, 64(a), coming into effect.

In other words, a matter under this standing order should be one upon which there is no opportunity for this House to debate, at any other time and by any other means, certainly within a few days or a week or so of the matter being raised in this House.

The comments I have just heard from the leader of the official opposition and the leader of the third party to my mind do not differ very greatly from comments that I heard during the debate of second reading of Bill 72 in this House on Tuesday evening. They probably are not substantially different from what we will hear in this House tomorrow morning when the order of business, of course, is to continue the adjourned debate on Bill 72, An Act to amend the Gasoline Tax Act.

What is my solution to you, Mr. Speaker? The solution that I would suggest, and the government would suggest, is first that this resolution does not fulfil the requirements of an emergency debate. In other words, the matter does not fall within the purview of something that cannot be discussed by this House at some other time and by some other means.

I would further like to suggest through you, Mr. Speaker, to both parties opposite that since they have already indicated through the proposing of this motion that they are willing to give up private members' hour today in order to discuss this matter, I would be very happy to move, as soon as this matter is disposed of, with the unanimous consent of both those parties that we dispense with the provision of order of business under standing order 64(a) today and I will call order 23, the second reading of Bill 72, and without any limitation on debate or time we will proceed and discuss this full matter.

As I say, the matter can be brought before this

House with the agreement of the parties opposite and we can have a full debate today by merely moving to call the twenty-third order.

**Mr. Cassidy:** On a point of order, Mr. Speaker: I assume the government House leader is offering to have the private members' hour that would take place now take place as soon as that debate on Bill 72 is over. Is that correct?

**Hon. Mr. Wells:** Mr. Speaker, on this particular point I would be willing to sit down with the House leaders and discuss whether they would wish to have private members' hour tonight in place of the debate on the plant shutdowns report if the members wish to do that.

**Mr. Cassidy:** You weren't making an offer at all.

**Mr. Speaker:** Order.

**Hon. Mr. Wells:** I would point out that in moving this motion my friends have given no indication they are willing to make provision somehow for private members' hour. If this motion were agreed to by you, Mr. Speaker, and that of course is your decision, we will not have private members' hour this week.

**Mr. Nixon:** Mr. Speaker, on a point of order: Since the government House leader has referred to the possibility of House leaders arranging this, I naturally think you should be aware that he was well aware of the intention of my leader to bring forward this motion, as is required under our rules. He made no such proposal at the time. With the uncontroverted argument put forward by my colleague, with the support of the New Democratic Party in this regard and with the views of the government House leader before you as well, I would hope that in your wisdom we can go forward with the emergency debate as proposed by the Leader of the Opposition.

**Mr. Smith:** Mr. Speaker, on a point of order: You are aware of the difference in the rules for an emergency debate as opposed to the rules for debating the bill. If we move ahead with the debating of the bill, a bill which as far as I am concerned should be debated for the next 10 years and never passed by this House, people are entitled to speak only once and for a very long time.

However, in emergency debates our tradition has been to hear from each side and to limit members' remarks to allow the debate to be completed by the appointed hour. I think these are totally different. I have remarks to make on the bill which may take considerable time indeed. I intend to speak in the debate on the bill at considerable length.

To have an emergency debate today is to have a debate of all three parties. It is to hear from members of the government, not just from the Minister of Revenue (Mr. Ashe) and whatever two or three people he has to keep him company, but to hear from members of the government repeatedly, as well as from members of both parties opposite to discuss the issue, which is the impact of this new, insidious and sneaky tax on the people of Ontario. The debate on the bill will go on at great length under the usual rules of this House starting tomorrow morning.

**Mr. Speaker:** The government House leader has put forward a suggestion as a compromise, provided he has unanimous consent of the House to discuss the bill in question.

**Mr. Nixon:** Emergency debate.

**Mr. Speaker:** All right. I have listened intently and with great interest to the remarks. Obviously, the question before the House is whether this debate will proceed and I will put the question: Will the debate proceed?

**Mr. Martel:** Mr. Speaker, is it not necessary for you to make a determination?

**Mr. Speaker:** I am sorry. I did not hear your point of order.

**Mr. Nixon:** Mr. Speaker, you have to make a determination.

**Mr. Speaker:** I have already made that determination. I thought I had said that in my opinion it does meet the criteria. I thought I had made that abundantly clear when I got up and put the question: Will the debate proceed?

**4:33 p.m.**

The House divided on Mr. Smith's motion to suspend the ordinary business of the House, which was negatived on the following vote:

#### **Ayes**

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Cunningham, Di Santo, Edighoffer, Elston, Epp, Foulds, Haggerty, Kerrio, Laughren, MacDonald, Mancini, Martel, McClellan;

McEwen, Miller, G. I., Newman, Nixon, Philip, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Smith, Spensieri, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

#### **Nays**

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis,



Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Havrot, Henderson;

Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kolyn, Lane, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Piché, Pollock, Pope, Ramsay, Robinson;

Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Ayes 44; nays 64.

**Mr. Breugh:** Mr. Speaker, on a point of order: I want to ask you, now that the government has demonstrated it does not have confidence in you, will you continue as Speaker?

**Mr. Hennessy:** That's a cheap shot.

**Mr. Speaker:** That was not a legitimate point of order.

**Hon. Mr. Wells:** Mr. Speaker, on a point of order: I think that is a very unbecoming comment coming from a former chairman of the procedural affairs committee.

Interjections.

**Mr. Speaker:** Order.

**Hon. Mr. Wells:** Mr. Speaker, I am not finished. My point is that it is a very unbecoming comment from a person who has held that position. I and most members of this House believe that when these rules were rewritten they were deliberately rewritten so that the question "Shall the debate proceed?" could be put in so that the vote we took in no way was questioning the ruling or opinions of the Speaker. It was an opportunity to vote on the question "Shall the debate proceed?" That is what we were voting on.

Interjections.

**Mr. Speaker:** Order. As has been pointed out many times, although it was questioned just a few days ago, I do not represent any party but all members.

**Mr. Smith:** Mr. Speaker, I just want to be clear that the House understands what the government House leader has said. He did not mean in any way to object to your ruling; he merely meant to object to the notion of debating the matter that was proposed. He is not objecting to you, sir; he is merely stifling debate.

**Hon. Mr. Wells:** As usual, Mr. Speaker, in his convoluted way, I am not sure the Leader of the

Opposition knows what he is saying. He will have full opportunity to debate this matter tomorrow morning.

**4:40 p.m.**

#### ANSWER TO QUESTION ON NOTICE PAPER

**Hon. Mr. Wells:** Mr. Speaker, before the orders of the day, I wish to table the answer to question 93 standing on the notice paper. [See Hansard for Friday, June 5.]

If I may have the unanimous consent of the House, I wish to propose a motion.

#### PRIVATE MEMBERS' BALLOT

Hon. Mr. Wells moved that, notwithstanding any standing order of the House, the ballot item of Mr. G. W. Taylor be deferred for consideration until next Thursday, June 11, and that the scheduling according to the order of precedence be revised accordingly.

Motion agreed to.

#### PRIVATE MEMBERS' PUBLIC BUSINESS

##### EMPLOYMENT STANDARDS AMENDMENT ACT

Mr. Martel moved second reading of Bill 17, An Act to amend the Employment Standards Act, 1974.

**Mr. Martel:** Mr. Speaker, all of us recognize the need for certain people in society to do shift work. We talk about nursing and how we could not close the hospitals down and so on. We are cognizant of the necessity to do some shift work. However, in our society there has been almost a sweeping move towards shift work. The number of people who have moved from regular work to shift work in the last number of years is truly astounding, and there is a reason for that.

I would like to quote this reason from an article entitled "Shift and Day Work: A Comparison of Sickness Absence, Lateness and Other Absences," which appeared in the British Journal of Industrial Medicine:

"The increase in shift work results from the changing nature of industrial production. Some processes where highly automated machinery is used, such as iron and steel making, computer operations and oil refining, are so expensive that, according to management, they must be operated continuously to be efficient. In management terms this means that machines and workers operating them must pay for the cost of equipment with increased earnings from increased

production. Therefore, a portion of the work force must work during time other than the day."

The article says quite clearly that, because of the tremendous cost of equipment, people are forced to work a schedule they are not suited for. I will come back to that in a moment.

Not only are people being forced to work shift work, but companies are also now playing around with shift schedules such as the honourable members would not believe. The purpose of my bill is to try to end some of that. Companies like Falconbridge and Inco have adopted shift schedules that reduce the number of workers required and consequently reduce the cost of production while maintaining roughly the same amount of production—schedules that pay little attention to the health and the social life of working people and are designed to avoid or circumvent the Employment Standards Act.

The Employment Standards Act has two provisions in it that say a worker should not have to work more than 48 hours in any given week and that after 44 hours of work he is entitled to overtime pay. It sounds good, except companies have found ways to get around that particular piece of legislation. As my friend Ray Duhaime from the Mine, Mill and Smelter Workers Union says, "They beat you with the calendar," not with the act.

Let me tell members what happens at Falconbridge. This is confusing, but I ask the members to listen carefully to what is happening. Falconbridge starts its work week at 8 a.m. on Sunday. Let me just describe their schedule. If a worker has a long weekend off—that means Thursday, Friday, Saturday and Sunday—it is then followed by this type of schedule: The workers start graveyard—one of the most difficult shifts going; all the health studies say there are problems with this—and they work seven continuous days.

Members may say: "But they cannot work seven continuous days. The act says 48 hours, and after 44 hours they get overtime." But they work five days in one calendar week, which just happens to end on Sunday; so they are working seven graveyards in a row. At the end of the fifth day, the company uses the act to get around giving men time off. It says it is a new work week; so then they work two more graveyards.

The company has circumvented the act. The employees are working more than 48 hours in a row and they are not getting overtime. Because of the new work week, they are starting a new schedule. In part of Falconbridge, men are now

being forced to work in the mechanical department some 10 shifts in a row. There is no overtime and there are no days off. So the company is playing around with the act.

Let me give the schedule for the second week. The workers get off Tuesday at 8 a.m. Having worked graveyards, they are going to have to sleep all day Tuesday. So they get Wednesday off, really the only free day, because they go back in on Thursday afternoon and work from 4 p.m. to 12 midnight; then they work Friday and Saturday. Some men get Sunday off, one day off; some do not get Sunday off, so they are short-changed. In other words, they go from 4 to 12, from graveyard to 4 to 12, then back to days. Some get Tuesday off that week; everybody gets Thursday.

On Friday morning they start seven more day shifts—seven straight. They work Friday and Saturday, then they start a new work week. When they start that new work, they can run five more consecutive shifts. Again, the act is circumvented.

As I said, the company uses the calendar to beat the workers. Despite efforts over the years, this has not changed one jot. That schedule is perverse, not only because the company beats the act but also because the Ministry of Labour has a document entitled *Shift Work: The Problems and Approaches*, which says, "An example of a phase-delayed schedule of rotation"—which should be used so that a person's body might adjust more quickly—"is that of morning to afternoon to night."

My friends do it in reverse: night to afternoon to day. But the Ministry of Labour says: "Wait a minute. It's just the opposite. We are going to make it somewhat easier." They should be doing it in reverse, but they do not do that either. So they circumvent the act. They ignore the recommendations from the Ministry of Labour on how such shifting could occur. If we look at people who travel, we know there are lag times necessary when they are travelling in certain directions, but that does not happen either.

If one puts that whole schedule together, one finds out that a worker in summer gets one long weekend off with his family. If it happens to be miserable that one long weekend, the worker does not have a weekend off with his family. Some workers are lucky; they get one Monday in the second week of their schedule or Tuesday, and everybody gets Thursday. In fact, it is bad that the days are split off; the two days off are not even consecutive.



The purpose of this act is to try to prevent this, because there are some serious problems. If one looks at Inco, it has a different type of schedule. Their employees work seven graveyards, seven afternoons and then six days. In one of those, what happens is they go from four to 12 to a short change; that is, back at 8 a.m. So if a worker lives 30 miles from the plant, by the time he gets off work at midnight, showers, goes home, gets a few hours' sleep and gets back up at six, he has had less than five hours' sleep and he is back on the job to work days. Then the whole process begins all over again. In view of what the Ministry of Labour is saying and in view of the intent of the Employment Standards Act, this cannot be tolerated.

**4:50 p.m.**

Let me tell the House what happens to workers. In one of the medical studies I looked up, it says: "Man is a daytime animal. Almost all bodily functions are periodic. Hormone levels, body temperature, the chemical reactions through which the body produces energy, pulse rate and blood pressure all fluctuate on a 24-hour schedule with peak activity in midday periods. These internal rhythms, plus the external rhythms of daylight, night, temperature and social activities, regulate a wide range of body functions and thereby affect fatigue, sleepiness, rest activity and alertness. The biological fluctuations continue with only slow changes of adjustment to time changes."

Before the body even has time to acclimatize itself to one shift—and it is just starting to at the end of the seven-day schedule—it changes again. The Ministry of Labour recommends shift scheduling that is much more rapid, perhaps two, two and three in a row, but with some rest time so that the body is not affected nearly as badly. However, that is not happening. The consequences of this are great. All the studies indicate there is a problem with sleeping. For example, workers who are on shifts tend to smoke a good deal more, use more caffeine and more alcohol. All the studies indicate this. Consequently, there is a problem for workers.

Let me go back to the Ministry of Labour's own report, which says, "Investigation of 3,058 workers found that shift workers had twice as high a rate of fully developed ulcers as day workers." As we look through the medical evidence, we can find more and more people being affected. This same report also says that people with diabetes, epilepsy and heart conditions should be excluded from shift work. That does not happen. What is happening is that

rather than looking at the recommendations of this report, industry flies off in a different direction. It goes counter to what shift scheduling should be in terms of what time of day employees start work. Companies try to beat the Employment Standards Act by lengthening schedules. The whole thing is a real mess and companies are going in the opposite direction.

Let me indicate what happens to diet. A case study found: "Shift workers ate more animal protein and drank more liquids, including alcohol, than day workers. Total caloric intake is not affected by shift work but the distribution of intake is changed over a 24-hour period. Night workers also tend to increase their intake of caffeine and indulge in heavy smoking in order to increase their wakefulness during the shift."

But what we find happening are attempts to circumvent the act. In addition to sleepiness, digestive disturbances, people who should be excluded, and the problem with diet, the social lives of workers on shift work are not taken into consideration. In an article several years ago, entitled *Shift Work*, it says: "Shift work also interferes with an individual's role as a companion to his spouse and as a parent to his children. Some studies show higher than average divorce rates among shift workers. Women with children have been found to call in sick more often and abandon night work earlier than men do, because of the strain it puts on them in their role as mothers. Where both parents are working, shift work may have solved one problem at the expense of another, but there is no time for the family to be together."

We can conclude that there are really serious problems developing. For example, a study of nurses indicates: "Whereas fixed shift workers"—those people who are on a fixed shift—"tend to take time off for relatively minor ailments, rotating shift workers more often stay home because they are suffering from disorders such as acute respiratory infections in the upper GI tract." In other words, if one is on shift the type of illness one suffers from is more severe than if one works regular days.

More people are being forced into shift work and, in my opinion, companies are subverting the Employment Standards Act. They are trying to avoid the act by increasing the amount of work workers are forced to do without time off. The act is being circumvented and people's health is being affected. By the way, this same Ministry of Labour document indicates there is a higher accident rate during night shifts than on day shifts and that they are more severe. Socially, family life is totally disrupted.



Before the province allows shift work to increase, studies should be undertaken to determine what is happening to people. I remember Elliot Lake, as my friend the member for Nickel Belt (Mr. Laughren) does. Everybody told us, "Pooh, pooh, there is nothing going on there." But we now know the number of fatalities.

Using the Ministry of Labour's own documentation, before we allow this to expand we should not tolerate this situation much longer without knowing specifically what the effects are on working people. If there are going to be some shift workers, we should prevent the schedule from being elongated by circumventing the bill.

Let me quote one other section to try to put it into perspective: "Systems of weekly rotation are most common, but they are not the most advantageous for the individual circadian system. The rhythms cannot adapt in less than seven consecutive night shifts." They cannot adapt in less, yet just as they reach the seven nights, they are then switched to another shift.

"The individual accumulates fatigue in the early part of the schedule due to the lack of restful sleep and, just as he is starting to adapt, he is switched again. This schedule places the person in the position of constantly being in a state of transition, with the night-shift period placing the greatest physiological cost on the individual." This is from a document of November 1980 from the Ministry of Labour.

I urge my friends across the way to consider what is happening to workers before they willy-nilly vote against the bill. It is not an attempt on my part to bring in a 40-hour work week via the back door. Based on the tremendous amount of material available to us, I am trying to prevent the act from being bastardized by corporations in this province to the disadvantage of the workers. I urge the members to look at that before they willy-nilly vote no.

**The Deputy Speaker:** You have approximately three minutes remaining of your 20-minute allotted time, if you would you like to have those three minutes at the end of the debate.

**Mr. Brandt:** Mr. Speaker, as the newly appointed parliamentary assistant to the Minister of Labour, I welcome this opportunity to discuss working conditions in Ontario with my colleagues in regard to some of the questions raised by the member for Sudbury East.

At the present time, as the member stated in his address, the Employment Standards Act provides the hours of work of employees shall not exceed eight in a day and 48 in a week. It

gives employees the right to refuse work beyond these hours. Bill 17, An Act to amend the Employment Standards Act, which we are considering today, would, in addition to the daily and weekly maximum hours of work provision, effectively prohibit an employer from requiring employees to perform work on more than five consecutive days without two days of rest. That is the intent of the bill.

**5 p.m.**

As one disincentive to employers requiring their employees to work excessive hours, the Employment Standards Act already provides for a mandatory overtime premium pay of not less than one and one half times the regular rate of an employee for each hour worked in excess of 44 hours per week.

**Mr. Martel:** It cannot beat the calendar, that is the problem.

**Mr. Brandt:** I am going to get to that in just a moment.

The act establishes only minimum standards of employment. Many collective agreements, as we well know, have more generous premium pay provisions. Generally, under private collective agreements there is a provision that allows for two consecutive days off, usually Saturday and Sunday, within any period of seven days, and hours in excess of 40 hours in the week are worked at premium rates.

Under collective agreements, seldom does the employee have a complete right to refuse to work hours in excess of the specified standard hours, but overtime can usually be turned down when an employee has a legitimate reason and, in some cases, after a certain number of hours have been worked. In most cases there is also some method for sharing overtime hours among employees when overtime hours are required in a plant. Let us not make any mistake about it, there are plants that require that kind of flexible overtime shifting.

Therefore, there is a considerable amount of flexibility in arrangements negotiated between employers and employees and that has worked out rather satisfactorily in our province to ensure that overtime work requirements are met.

Bill 17 could potentially result in rigid work schedules developing, and the necessary flexibility in scheduling hours of work would be lost. Consequently, the proposed legislation could have serious implications in certain situations that must be taken into account.

While the majority of employees in Ontario



work a standard five-day week and eight hours or less per day, this is simply not possible in some industries and businesses. A variety of working time arrangements are required, particularly where establishments operate on a continuous basis. A number of examples come to mind, such as hospitals, computer operations, metal processing, chemical plants, pulp and paper processing plants and that type of thing, or where service to the public is needed on weekends as well as other days of the week in the service industries, such as hotels, restaurants and places of recreation.

In these types of operations it is necessary to have flexibility in scheduling the hours of the work day. The potential loss of flexibility arising from Bill 17 causes great concern to this side of the House, and could result in increased costs of production. Furthermore, it must be noted, and the gentlemen opposite should take note of this, no other jurisdiction in North America has legislated such a provision. These factors will undoubtedly lead to a deterioration of the competitive position of Ontario firms. I am sure that concerns them.

**Mr. Foulds:** If they have to be competitive at the expense of the health of the workers, it is not worth it.

**Mr. Brandt:** No, we are talking about being competitive in order to retain some of the jobs about which the member has indicated such concern at various times during the debates in this House.

**Mr. Foulds:** Yes, like the pulp and paper grants that lost us how many jobs.

**Mr. Brandt:** In this time of difficult and intense international competition we have to be looking at ways to contain costs and to facilitate increases in production and employment opportunities in Ontario. The proposed working arrangement under Bill 17 could restrict the ability of employers to respond quickly to increased orders and changing market conditions. To have this flexibility, employers should be able to schedule overtime work after a regular work week of five days. Where a number of employees opted not to work overtime in an establishment, the employer could have serious problems in obtaining appropriate additional staff to meet his production needs.

In this situation the employer would be faced with hiring part-time employees for one or two days per week. It would often be extremely difficult, if not impossible, to find part-time

workers with the necessary skills and experience to fill those jobs. I might suggest production bottlenecks could also result.

It has come to my attention that part of the concern of the member for Sudbury East over this particular amendment has come about as a result of the dispute between the Mine, Mill and Smelter Workers Union and Falconbridge Nickel Mines regarding overtime pay. I believe that was one of the key thrusts of what he said.

**Mr. Martel:** No, it wasn't. You weren't even listening.

**Mr. Brandt:** It is a great deal of the member's concern. It is my understanding that the conflict involves the interpretation of section 25. I realize the member is concerned about the health of the workers, but also there is a very real concern on his part about the whole question of the hours.

The union has launched an action on behalf of the affected employees in small claims court. I understand this action has now been transferred to the Supreme Court of Ontario and is expected to come to trial in September of this year. In addition, a tribunal has been established under section 51 of the Employment Standards Act. It will begin hearings on this matter in June. If the root cause of the concern is overtime entitlement, which is certainly part of the whole debate with respect to Bill 17, the meaning and application of section 17 of the act should be authoritatively determined before considering further statutory changes.

I am convinced that the possible repercussions of Bill 17 would interfere with the arrangements that seem to be quite satisfactory to both employers and employees in Ontario. The Employment Standards Act already provides for maximum hours of work per day and per week.

Under collective agreements there is sufficient flexibility to allow for scheduling of overtime work. In addition, I would like to mention that the government of Saskatchewan, that government the members opposite hold out as such an indication of the great social causes of Canada—

**Mr. Foulds:** You are here to govern Ontario and we're here to keep you honest.

**Mr. Brandt:** Let us talk about the government of Saskatchewan for a moment, because they did exactly what is suggested in Bill 17. The Saskatchewan bill provides that if there are more than 10 employees in an establishment, employees must receive two days off in seven.

**Mr. Wildman:** That's revolutionary.



**Mr. Brandt:** It is revolutionary, but wait until members hear the ramifications of that great bill. It should be noted that this legislation has not yet been proclaimed in Saskatchewan—for good and valid reasons, I might add. The government of Saskatchewan has encountered strong criticism from both business and trade unions. To date, more than 600 petitions have been received opposing the unproclaimed legislation.

Bill 17 would likewise be opposed by many groups in Ontario. I would urge members of this Legislature to consider very carefully the full ramifications of what is being proposed. I believe they will come to the conclusion that it is wrong and ill conceived on behalf of both employees and employers to consider amending the act as suggested by the member opposite.

**Mr. Wrye:** Mr. Speaker, I would like to make a few remarks on the legislation as proposed by the member for Sudbury East. I noted with great interest the comments the member made which drove me to read the bill. At one point I thought I was looking at another bill, because his whole speech was on shift work and a problem he seems to be facing up there, not on the general principle of whether we are going to move to a 40-hour five-day work week as a standard.

I also noted with interest the comments of the parliamentary assistant to the Minister of Labour. I would suggest to him if he does not agree and believes these changes may be a little too radical, perhaps he should be looking at more moderate changes the minister may wish to bring in, but it is simply unacceptable in this year of 1981 to have standards in terms of hours of work and length of work week which are as antiquated as the ones we have now under the Employment Standards Act.

**5:10 p.m.**

I want to say that I have some concerns about the total impact of the legislation as proposed by the member for Sudbury East and the problems it could cause for some employers. There are some legitimate concerns that employers and indeed some trade unions may have. However, on balance I think it is necessary to move us out of the provision we now find in part IV of section 17 of the act, which literally forces workers without exception to work 48 hours a week each and every week as long as the employer deems that that work is necessary.

As a member for a riding in the city of Windsor, I can say that caused great hardship and problems for the employees and ultimately

for the employer during the time when car sales were booming and when the companies wished to be building cars literally seven days a week.

Let me say what would happen. The employee would come in and work his 8 a.m. to 4 p.m. shift from Monday till Friday, and during that week the employer would inform the union and the union would inform the worker that the company wished to have an overtime shift on Saturday and that was not a voluntary overtime shift, that was a required overtime shift, and that on Sunday he would also require a shift but volunteers were being accepted.

What happened to the workers was that after eight or 10 six-day weeks in succession, there was a burnout problem. Employees literally began to get burned out. You cannot work six days a week, eight or nine or 10 weeks in a row because business is booming. While that may be fine for the employer and it may be fine for his profit margin, it ultimately is not very good for the employee. It is not very good for his health; it is not very good for his family; it is not very good for his children, his social life or for any number of things.

After all we are not here on this earth only to work for a living. We are here to enjoy our leisure hours as well. So what happened was absenteeism went way up. Absenteeism became a real problem in the auto plants. In addition, we had large amounts of illness and real problems with the workers. I do not think, as the parliamentary assistant to the minister indicated, the factor of premium pay, the one and a half times the regular rate of pay, ought to be the only guiding factor. I say with some reluctance I think it is then less incumbent upon us to move somewhat in the direction of a five-day week. If this bill will get us moving in that direction then I shall support it.

I want to raise a couple of other matters that I would hope the member for Sudbury East would look upon in terms of this legislation. In the first few words he has “notwithstanding anything in this part.” It seemed to me on a first reading that we would have some problem in that that would also remove the flexibility of part IV of the act under section 19. Section 19, as the members will know, is a section that allows the employer to bring in workers for urgently needed work to plant or machinery so that it may avoid interference with the ordinary working of the establishment. I would see that this would be a problem. I address that to the member for Sudbury East.

One of the positive things that I think could



come out of a shorter work week—and that is what we are talking about; we are talking about a 40-hour work week as a standard—is that this does not remove the right of employees to work overtime. Since the bill does refer to “the employer shall not require,” that means he simply may ask and all overtime then becomes voluntary.

First of all, with our serious unemployment problems in a lot of working communities and indeed a growing unemployment problem in all of the province, we could find ourselves with new jobs being created—perhaps not full-time jobs; perhaps just part-time jobs. For example, jobs could be created in my community of Windsor for auto workers who might start working on a part-time basis, with the plants booming, who might work on Saturdays and Sundays and who then, as normal attrition takes hold, might move into full-time jobs as time passes.

In addition, workers who have put in their time—men or women who have reached their late 40s or 50s, who have worked perhaps 20 or 25 years and who, with their families growing up or grown up, do not need all the overtime—might be allowed to begin to enjoy the leisure time they will have coming in their retirement years. It might also allow them to begin to prepare properly for their retirement years rather than at the age of 55 having to look at going into a plant and working six days a week with one meagre day off to relax and enjoy themselves.

On balance, what we have here is an attempt on the part of the member for Sudbury East to move us forward and into the 1980s in the employment standards area and, while it may be a little too extreme—I understand it is only a private member's bill—I think the principle of the bill is good and as such I shall support it.

**Mr. Charlton:** Mr. Speaker, perhaps I will just pick up where the previous member ended and attempt to point out a number of things to the parliamentary assistant.

I will pick up first on the point that the member for Windsor-Sandwich made about the fact that this bill deals with a principle and an employer's right to require. It does not preclude many of the things the parliamentary assistant suggested; it just precludes the employer's right to demand them.

The member talked about the problems it could cause for shift workers. I think it is paramount that we first talk about the problems

caused for people who work shift work by the present process under the existing Employment Standards Act.

My father is a steelworker in the city of Hamilton. He has worked shifts for some 30 years now, and it has had a particularly detrimental effect on his health. In 30 years my father has never been able to become totally accustomed to the continually changing schedule of his shift-work life.

The parliamentary assistant talked with great ease about the flexibility provided by the present Employment Standards Act. Unfortunately, that flexibility is in reality the problem, simply because the flexibility is all there on the part of management.

As the parliamentary assistant well knows, or should well know, most of the collective agreements in Ontario have not been able to deal with the whole question of consecutive days of work and voluntary overtime. The parliamentary assistant also knows full well that there is no requirement on the part of management to deal with that issue at all.

The parliamentary assistant spent some time at the end of his speech commenting on Saskatchewan. Let us talk for a moment about some of the flexibility in the present act in Ontario and this government's attitude to the flexibility presented by that act.

**5:20 p.m.**

Two years ago, we debated a bill in this House which would have given coverage under the Employment Standards Act to domestic employees in Ontario, a bill which I sponsored. At the time the minister said they were studying the problem and promised they would bring in changes to cover domestics. Last Christmas after the House recessed the minister brought in changes, but not to the Employment Standards Act. He has not given domestics any legal right to the things the rest of the people in this province have. He brought in some regulation changes.

I would like to talk for a minute about the humanity of this government in terms of dealing with real people and their ability to perform in their jobs and in their personal lives. The minister, in his regulation changes to cover domestics under the Employment Standards Act, gave them some very limited protection for hours of work. But instead of regulating the hours they can be required to work—and we just heard in the debate that the regulated hours for most people, 48, are too excessive in this day and age and that we should be reducing those



hours—the minister chose to regulate the time off they are allowed. What he gave them under his regulation change was a regulated 36 consecutive hours a week off.

What does that mean about the attitude across there, Mr. Speaker, about people's ability to work and to handle their jobs and to have some private life? It means not only that those people only have the right to one and a half consecutive days off in a week but it also means there are 132 hours left in the week, all of which, theoretically and legally, those employees could be required to work.

The minister, in that set of regulation changes, also tried to create the illusion that he was granting those employees the minimum wage, a demand which was made repeatedly by this caucus. But not so. What he granted domestic employees in Ontario was a minimum wage of \$132 a week. If an employee happens to work only 40 hours a week, then the \$132 is the legal minimum wage. If that employee is required to work 70 or 100 or 132 hours, which under law their employer has a right to demand, he need still only pay him \$132. There are no provisions for overtime for them in the regulations. They are not allowed those special provisions for overtime the parliamentary assistant was referring to—those special rates he so proudly flaunted. So domestic employees in Ontario can be paid anywhere from \$1 an hour to the \$3.30 minimum wage that is law for everyone else in Ontario.

This is the kind of attitude this government has and it reflects their view of the flexibility of employment standards in Ontario.

Even more than the previous speaker, I want to emphasize that the laws in this province are antiquated. They are not even in this century. I am distressed by the attitudes across the floor and the bragging of the parliamentary assistant about the effective way in which the laws of this province work. They are out of date and far out of reality in terms of people's ability to cope, which is what makes this kind of legislation come forward.

That is what makes it necessary—the way in which not only employers but also the government of Ontario abuse the present Employment Standards Act. They run through the loopholes it presents and allow the kind of thing I have just discussed, where an employer is allowed to require an employee to work as many as 132 hours in a week. This is no longer acceptable. If we have to put in place this kind of legislation to

protect the working people of this province from those kinds of abuses by both employers and the government—

**Mr. Brandt:** Do you know where this is happening?

**Mr. Charlton:** We have lots of names and they have been presented to the member's ministry over and over again.

**Mr. McLean:** Mr. Speaker, it is my pleasure this afternoon to address this House on an issue relating to an important foundation of Ontario's social and economic structure—that is, employment standards in our working world.

Bill 17 deals with the question of adequate rest periods during the work week. This is a matter of interest to us all as we depend on these rest periods, not only to enjoy leisure activities but to face the responsibilities and pleasures of family life. While I acknowledge the intent of Bill 17 I have serious doubts with respect to its efficacy. The amendment, in its limitation of five consecutive days of work with two days rest, proposes a very structured set of arrangements for a situation in which greater flexibility is required.

I must support my colleague, the member for Sarnia (Mr. Brandt), in his comments regarding the possible disruption caused by such a provision. In addition, I am concerned about the fact that Bill 17 in its substance implies that employees are not adequately protected under current legislation. This assumption must be challenged.

I propose to focus my discussion today on provisions and practices that now govern hours and days of work in Ontario. The basic minimum legislative standards dealing with matters of hours of work and working periods are set out in the Employment Standards Act. Among the provisions of the act are maximum levels of working hours. At present an employee shall not work hours exceeding eight in a day and 48 in a week. The employee has the right to refuse work beyond these levels. In effect, the provision ensures a maximum of six days work in a week and affects the majority of working people in the province.

In the situation in which an employee works for an employer in excess of 44 hours a week, the act stipulates that the employee shall be paid for each hour over and above the 44 not less than 1.5 times the regular rate. These provisions have traditionally controlled the periods of work, rest and overtime entitlement.

Complementing these sections of the act are several pieces of legislation which particularly



limit or prohibit work on specific days. I will not discuss these laws in detail, but I would like to mention them briefly at this point. The Retail Business Holidays Act prohibits, with exceptions, a retail business from selling or offering goods or services for sale on a holiday, including Sundays and eight specified days in the year.

**5:30 p.m.**

Various exceptions to the act come to mind readily, since many of us have patronized pharmacies and convenience stores. The federal law, the Lord's Day Act, prohibits the conduct of one's business, or the employment of any person to work in one's business, on Sunday. The exceptions to this law are, for example, any work essential to the continuous operation of an industrial process, public utility, newspaper or dairy.

The One Day's Rest in Seven Act prescribes, for application in communities with a population of 10,000 or more, 24 consecutive hours of rest in every seven days for employees of a hotel business, restaurant or café.

Finally, the mining and mining plant regulations of the Occupational Health and Safety Act limit the time an underground miner can work underground to eight hours in 24. This section also limits the work of a mine hoist operator to eight hours in 24. Again exceptions are made in both instances.

Under US federal legislation there are no provisions that specify maximum hours of work in a week. The experience in provinces other than Ontario in the legislation of rest periods has not indicated that there is support for the concept of rigid rest period provisions.

Legislation of the type outlined in Bill 17 has been passed by the Legislative Assembly of Saskatchewan. While this legislation has not yet been proclaimed, there has been aggressive opposition from both business and labour groups to severe limitations on scheduling requirements.

In addition to public legislation, private collective agreements can also govern hours and days of work. Under collective agreements there generally is provision for two consecutive days off within any period of seven days. However, under these agreements the employee seldom has the unqualified right to refuse to work overtime hours. Overtime can be turned down if the employee has a legitimate reason. There is usually a method of sharing the overtime hours among the employees. Under collective agreements, of course, hours of work are

paid in premium when they exceed 44 per week. As a result, there is a strong economic incentive for the employee not to refuse overtime work.

Throughout labour-management negotiations various shift schedules for compressed work weeks emerged, so that work periods and leisure time have been balanced to the mutual advantage of employers and employees. I am not convinced the lack of sufficient rest periods in a given week has been expressed as a significant problem in Ontario's working economy. The basic structure of our legislation and the negotiated amendments have, I believe, established satisfactory working agreements for both labour and industry.

Therefore I have great confidence in the standards established by this government that are now in place. I also have confidence in the abilities of the parties involved to negotiate agreements on this matter so that employees ultimately enjoy the leisure time they deserve without any disruption of the smooth operation of the firm.

The blanket approach of Bill 17 would, I believe, be detrimental to the existing balance, since it is inconsistent with the effective provisions that control periods of work at the present time.

**Mr. Mancini:** Mr. Speaker, I would like to take a couple of moments to make some comments on Bill 17, introduced by the member for Sudbury East. I am quite concerned about the bill, and I thought some of those concerns were going to be alleviated during the member's address. Unfortunately he spent his whole time addressing the subject of shift work and explaining how in certain parts of Ontario—the area he represents, I assume shift work is being abused to the detriment of the worker. I guess shift work is in use in the Sudbury area and is being used in such a way that the workers are not getting proper time to rest themselves and to enjoy and partake in many social activities in family and community life.

Being the representative of an area that has quite a few industrial workers near the vicinity of Windsor, I do not believe I have seen the blatant cases pointed out by the member for Sudbury—

**Mr. Martel:** Sudbury East.

**Mr. Mancini:** Sudbury East, excuse me; I do not want to confuse the member with the member for Sudbury (Mr. Gordon).

Possibly the member's intention and the bill are really not one and the same. I am concerned

that, in the member's eagerness to bring about a better quality of life and better working conditions, he wishes to use an amendment to the Employment Standards Act which would impose a standard all across Ontario which may not be wanted by either business or labour.

I was quite intrigued when the information was brought forward by the parliamentary assistant, the member for Sarnia, that they passed this type of blanket legislation in the Socialist Utopia of Saskatchewan. However, the good Premier, Allan Blakeney, after having received representations from many labour and business groups, decided he should possibly give that bill more consideration.

I want to assist the member for Sudbury East and help him correct some of the injustices he talked about. I am afraid, with the small amount of information he presented in his address to the House and with the small amount of information we have received up to this point, none of my reservations have been alleviated.

Now that I have the opportunity to talk about work scheduling, overtime and that type of thing, I believe it is incumbent on the Ministry of Labour when it issues these overtime work permits for which corporations must apply to give serious consideration to the need for the overtime permit. They should not, as appears to be the case now, give out an overtime permit every time a company asks for one.

In areas where there is high unemployment, it might be better for the community as a whole that not as many overtime hours be allotted to a particular company. More workers could then be hired. At the same time, the stringency of the overtime permit should not be such that workers who wish to put in overtime, who look forward to the extra money and who have no physical or emotional problems with putting in extra hours, should have the opportunity to continue to work a reasonable amount of overtime if they wish to do so.

I am also concerned that the bill is vague. With the three minutes the member for Sudbury East has left to address the House, I wonder if he would give a fuller explanation as to what he wants to accomplish other than possibly to correct the two or three injustices he pointed out in the elegant manner for which only he is known. We would probably then give the bill more consideration.

**5:40 p.m.**

With the lack of information that has been presented to us, and with the information that has been presented to us by the parliamentary

assistant to the Minister of Labour I could not support this bill. In the future, if it was brought forward again, more fully explained and with more detail, we would certainly consider it.

Thank you, sir.

**Mr. Martel:** Mr. Speaker, I do not have much time available to me.

**Mr. Speaker:** Order, please. I think you are a bit premature, Mr. Martel. Ms. Bryden has the floor.

**Ms. Bryden:** Mr. Speaker, I am looking forward to the windup comments of my colleague, but I would like to add a few words in support of this bill.

This bill addresses one of the many serious deficiencies in our Employment Standards Act. The 11 other private members' bills brought in by our labour critic (Mr. Mackenzie), highlight some of the other serious deficiencies which I will not enumerate at the moment.

This province has the reputation of being among the lowest in employment standards among all the provinces in Canada. This deficiency is a very serious one because it threatens the family. It prevents workers from sharing their leisure time with their families, although the government spends a great deal of time telling us how much it supports the family.

The Provincial Secretary for Social Development (Mrs. Birch) got out a 55-page booklet called *The Family as a Focus for Social Policy*. It says: "Think about the family." Further on it says, "Conditions at work and wages undoubtedly affect families."

This is just so much bilge if we have labour laws that require families to spend their leisure time apart, and prevents workers from spending their leisure time with their children when their children are not in school, or with their spouses when their spouses are not working. Therefore, this legislation is extremely important to preserve the leisure time for our families and for all workers. Without this sort of legislation, workers are prohibited in many cases from attending two-day conventions, or from travelling any distance from their homes in their leisure time. All of these things add to job dissatisfaction. Job dissatisfaction leads to lack of productivity, which leads to labour turnover and can lead to industrial grievances. Therefore, it is very important that we have humane labour standards.

There is a branch in the Ministry of Labour which is concerned with increasing job satisfaction. I submit that there is no point in studying



the effects of job satisfaction if we are not prepared to guarantee it in our Employment Standards Act.

I believe this government is showing it is basically an anti-people government by its labour standards. It is allowing the corporations to fit people to the job instead of fitting the job to people. It is not providing for job satisfaction which, in the long run, will increase our productivity and will increase the employers' profits if they just looked at it from that angle. Therefore I think we need this legislation very greatly and I would hope that all members will vote for it.

**Mr. Martel:** Mr. Speaker, I am really amazed that the two people who responded for the Tories chose to ignore the problem totally. They both enunciated what was in the present act. They did not want to address the fact that this problem continues to prevail and the act does not prevent it.

The Minister of Labour (Mr. Elgie), knows the problem full well. My first letter to a Minister of Labour on this problem was back in 1972. It is not something that came overnight. We have been trying to break this shift schedule for eight years. When people tell me it can be negotiated, they are crazy. It cannot be negotiated, because the corporations are using the act to their own advantage. The companies work employees five days one week and two days the next, or three or four, as long as they do not work them beyond five straight shifts in one week. They either give them overtime pay or they give them time off. The act does not address that problem and the minister does not want to talk about it. He tells me what is in the silly act now. If the act was good it would have eliminated the problem eight years ago.

What it really boils down to is health versus the economy. I have comments from Bob Sass on the Saskatchewan piece of legislation. Let me tell the minister what Sass says. He advocates a one-in-three package of rights for workers' health and safety, and the right to know as much as possible about the potential harm or threat from the work they are doing.

The Minister of Labour's own documentation indicates that the health of workers on shift is jeopardized. Their ability to sleep adequately is gone. Their diet is gone to some degree. There are more severe accidents on graveyard shifts than on any other shifts. The problems of people with ulcers, epilepsy and heart trouble are all documented in the minister's book in 1980. He continues to choose to ignore it. He tells the workers to negotiate. They cannot

negotiate something in a matter where the act is used and circumvented. He would not talk about it.

The parliamentary assistant to the Minister of Labour chose to ignore totally an eight-year problem. It is an economic problem but he spends most of this time talking about flexibility. Well, let us negotiate the flexibility. It should be a two-way street. It should not be flexibility on just one side. I am prepared to see overtime providing the employees themselves determine they are prepared to work it. Like my friend from Windsor-Sandwich, I am prepared to see overtime in an emergency. No one has ever denied there should be overtime in an emergency to keep an operation going, providing it can be negotiated. But it is all one-sided and my friend knows it. He knows it and chooses to ignore it.

He talks about health and that is what we are worried out. I have been here a number of years and I have watched the government's concern for the workers at Elliot Lake. I have watched this government's concern about the fellows who died from cancer in the sintering plant in Copper Cliff. He should not tell me about my concerns.

I did not mention overtime because that is not the primary aim of those workers at Mine Mill or at Inco. Their primary concern is to get the time off because they feel, as most of the studies show, their health is being jeopardized. That is paramount. That is why I did not spend much time on overtime, just to show that even with overtime, by using the act, it can be circumvented. Employees can work as many as 10 shifts in a row without any time off and without any overtime. The parliamentary assistant chooses not to deal with that. It is unfair, the little game he plays when he gets up to respond.

As I said earlier, even something as basic as the shift—if there is going to be shift work—it should start in the morning, then go to afternoon, then to midnight. In fact the corporations do it in reverse, contrary to all the documentation which says there are time lags and that for the bodily functions to operate properly it should be in that order. They do it in reverse. That is how concerned they are about health.

I know the Denisons of the world and the Falconbridges and the Incos, because I have been dealing with them for 14 years. They have never put health first. It is time this government bloody well did.

**5:50 p.m.**

## EMPLOYMENT STANDARDS AMENDMENT ACT

The following members having objected by rising, a vote was not taken on Bill 17:

Baetz, Barlow, Birch, Brandt, Cousens, Dean, Drea, Eaton, Elgie, Eves, Gregory, Harris, Havrot, Henderson, Hennessy, Hodgson, Johnson, J. M., Kells, Kerr, Kolyn, Lane, McCaffrey, McLean, McNeil, Mitchell, Norton, Pollock, Robinson, Rotenberg, Runciman, Shymko, Sterling, Stevenson, K. R., Taylor, G. W., Villeneuve, Walker, Watson, Williams, Yakabuski—39.

**Mr. Breithaupt:** Mr. Speaker, on a point of order: Several members have come into the chamber after I thought the doors would be closed. I believe they should be included if they so wished or at least referred to in the vote, should they not?

**Hon. Mr. Henderson:** Mr. Speaker, I just want to remind the members that the food processors are down in the committee room and they are all invited.

## BUSINESS OF THE HOUSE

**Hon. Mr. Wells:** Mr. Speaker, I would like to indicate to the members of the House the business for the rest of this week and next week. Tomorrow morning we will continue with

second reading of Bill 72. On Monday June 8 in the afternoon and the evening we will continue with legislation in the following order: Bill 72, if it is not finished tomorrow morning; Bill 73, Bill 77, Bill 78, followed by Bill 70.

On Tuesday June 9 in the afternoon and evening we will continue with legislation, again in the same order as I indicated— that is those bills that have not been concluded.

On Wednesday, June 10, three committees may meet in the morning—resources development, administration of justice and general government. There is a possibility the House may sit in the afternoon of Wednesday June 10 but agreement on that has not been come to yet and we will announce that next week.

On Thursday June 11 in the afternoon, private members' ballot items 7 and 8 standing in the names of Mr. G.W. Taylor and Mr. Haggerty. In the evening of next Thursday we will continue with legislation, again in the same order as has been previously announced.

On Friday June 12 we will also continue with legislation in the order as announced for any bills that have not been completed. That will be followed by Bill 67, Bill 69, and Bill 59.

The House recessed at 5:54 p.m.



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 Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)  
 Brandt, A. S. (Sarnia PC)  
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 Bryden, M. H. (Beaches-Woodbine NDP)  
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 Cureatz, S. L.; Deputy Speaker (Durham East PC)  
 Davis, Hon. W. G.; Premier (Brampton PC)  
 Elgie, Hon. R. G.; Minister of Labour (York East PC)  
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 Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)  
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 Turner, Hon. J. M.; Speaker (Peterborough PC)  
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